



PLANNING PROPOSAL

AMENDMENT TO THE CESSNOCK LOCAL ENVIRONMENTAL PLAN 2011

Rob Corken, Senior Strategic Planner

Lovedale Integrated Tourist Development

The following Planning Proposal has been prepared by HDB Consultants on behalf of Capital Hunter Pty Ltd. The Planning Proposal has been reviewed by Council and is considered adequate for submission.

Please note, Planning Proposals that are consistent with the Cessnock City Council's Planning Proposal Policy dated 16 February 2022 are not reported to Council for endorsement before Gateway Determination is sought. However, Councillors are notified of the proposal and a report will be submitted to Council after exhibition for determination.

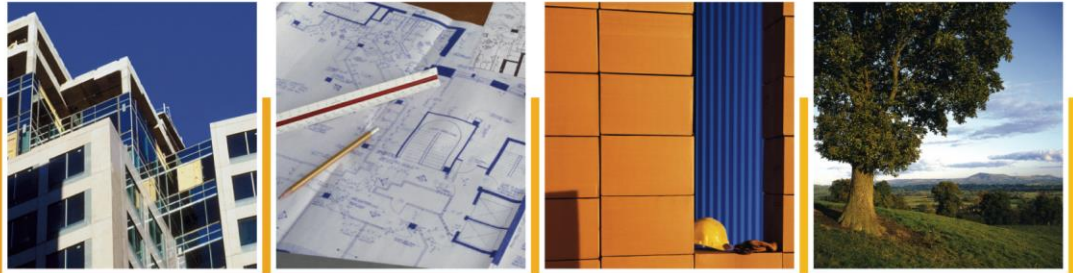
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PLANNING PROPOSAL



For
1184 Wine Country Drive, Rothbury

Prepared for
Capital Hunter Pty Ltd

November 2022
Report 22/011 Rev G



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Project Manager:**Date: 3 November 2022***This document is for discussion purposes only, unless signed and dated by the person identified.***DISCLAIMER:**

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1.0 INTRODUCTION

1.1 BACKGROUND

This planning proposal is unique in that it does not propose to rezone any land or change permissible uses on this land. It only proposes to change the maximum development threshold on the site for residential dwellings.

The amendment proposes to achieve an increase in the number of dwellings by increasing density within the existing development footprint.

This Planning Proposal is prepared by HDB Town Planning and Design (HDB) on behalf of *Capital Hunter Pty Ltd* (the client) with respect to Lots 2, 3 & 4 DP869651, Lot 11 DP1187663 and Lot 1 DP1233030 at 1184 Wine Country Drive, Rothbury NSW.

A concept development approval exists on the site for **‘Lovedale Integrated Tourist Development’** under DA 8/2016/551/1. This consent includes an 18-hole golf course, 300 residential lots, 300 tourist accommodation keys, and a spa.

The owner has reviewed the existing approved design against current best practices and proposes to reposition the development as an international **‘World-class’** standard. This requires, amongst other considerations, an increase in the number and type of dwellings offered as part of the Lovedale Integrated Tourist Development.

A range of dwellings from residential lots to small lot housing is needed. To achieve this the dwelling number stated in Clause 7.11 of the Cessnock Local Environmental Plan (CLEP) needs to be amended.

This Planning Proposal follows on from the scoping document previously submitted to Council and is aligned with Council’s directions.

1.2 APPLICATION DETAILS

1.2.1 PROPOSED DEVELOPMENT SITE DESCRIPTION

Lot 2, 3 & 4 DP869651 & Lot 11 DP1187663 & Lot 1 DP1233030
1184 Wine Country Drive, Rothbury NSW

1.2.2 APPLICANT DETAILS

Capital Hunter Pty Ltd
C/- HDB Town Planning & Design
PO Box 40
MAITLAND NSW 2320

1.2.3 CONTACT DETAILS

Mr. Kerry Nichols
HDB Town Planning & Design
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1.2.4 OWNERSHIP DETAILS

The property is owned by:

Capital Hunter Pty Ltd
PO Box 1618
Double Bay NSW 2028

2.0 SUBJECT SITE

2.1 LOCATION

Address:	Lot 2, 3 & 4 DP869651, Lot 11 DP1187663 & Lot 1 DP1233030 1184 Wine Country Drive, Rothbury NSW
Local Government:	Cessnock City Council
Locality:	Rothbury
Area of site:	241ha
Zone:	SP3-Tourist

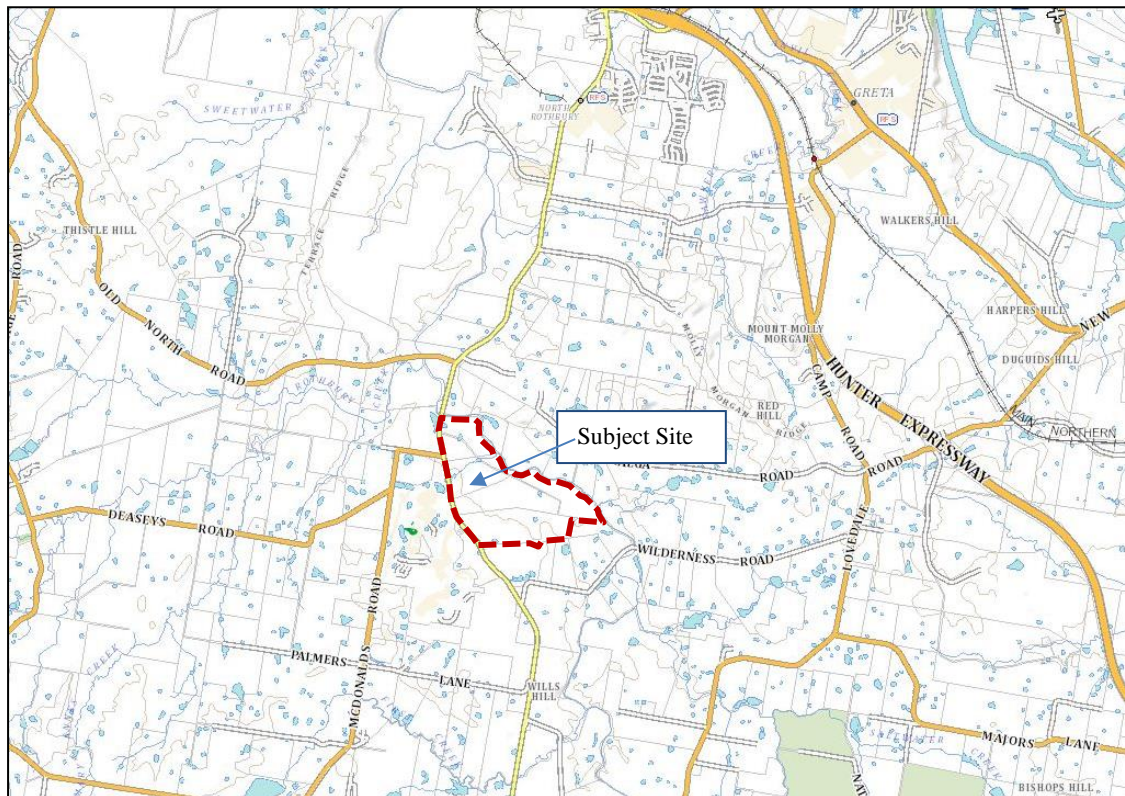


Figure 1: Location Map

Source: Cessnock Intramaps accessed March 2022

Located approximately 11km north of Cessnock and 7km south of the newly developed Huntlee Town Centre, the subject site sits on the edge of the ‘**Vineyard District**’ of Cessnock, opposite ‘**The Vintage Development**’.

The site is irregularly shaped with an area of approximately 241ha and is defined by Black Creek to the north and east and Wine Country Drive to the west. The southern boundary is common with the rear of properties adjoining Wilderness Road.

The site has an active existing approval for **Lovedale Integrated Tourist Development** under DA 8/2016/551/1, as shown in the following approved plan.



Figure 2: Approved Concept Plan

Source: DA8/2016/551/1

3.0 THE PLANNING PROPOSAL

3.1 OBJECTIVES OR INTENDED OUTCOMES OF THE PLANNING PROPOSAL

The **revised** vision for this site is -

'To create an international standard tourist destination to attract visitation to the Cessnock vineyards, not only from the interstate, regional and local markets, but from the international market, to become a major contributor to the local and regional economies.'

This vision was derived after a review of the existing approved design against current best practice in the tourist industry, post covid.

The new vision proposes to elevate the standard of development to a **'World-class'** standard. It is considered that there is a significant gap in the market for this type of development, both, in the vineyard district and regional NSW generally.

This vision requires a significant uplift in the standard and cost of the tourist components. All of which are permissible under the existing consent.

To support this, the number of residential dwellings controlled by Clause 7.11 of the Cessnock Local Environmental Plan, needs to be increased to balance the uplift in the tourist-related uses.

The Planning Proposal proposes to increase the density and vary the type of dwellings by amending *Clause 7.11 Integrated Tourist Development at Wine Country Drive, Pokolbin* to permit 640 dwellings on varying lot sizes. Up to 200, permanent residential dwellings may be constructed at the same time as the golf course. The golf course must be completed prior to the completion and occupation of up to 200 residential dwellings. The remaining stages will be delivered generally in accordance with the previously approved staging plan.

Moreover, the above will be achieved within the existing approved development footprint, under DA 8/2016/551/1.

The Planning Proposal will support the establishment of a major world-class **'Lovedale Integrated Tourist Development'** that will generate a \$100m contribution to the GDP and 1250 direct and indirect jobs (*Appendix A*) which would not be achievable without an intensification of residential dwellings on site as proposed by this Planning Proposal.

The development will continue to be **'Lovedale Integrated Tourist Development'** focusing on golf tourism, fine foods and local produce, and accommodation, both tourist recreational and permanent residents, and reflects the same objectives as the current approval, and is consistent with the objectives of the SP3 zoning.

3.2 EXPLANATION OF PROVISIONS

It is proposed to amend clause 7.11 of the Cessnock Local Environmental Plan to facilitate an uplift in the number and diversity of residential dwellings permissible on the site.

At present clause 7.11 reads as follows:

Clause 7.11

- (1) *This clause applies to land at Wine Country Drive, Pokolbin, being Lots 2–4, DP 869651 and Lot 11, DP 1187663.*
- (2) *Development consent must not be granted to any development on land to which this clause applies unless—*
 - (a) *the consent authority is satisfied that the development is integrated tourist development, and*
 - (b) *the total number of permanent residential dwellings on that land does not exceed 300, and*
 - (c) *the total number of serviced apartments and hotel or motel accommodation units used for the purposes of tourist and visitor accommodation on that land does not exceed 300, and*
 - (d) *the total number of permanent residential dwellings does not exceed the total number of serviced apartments and hotel or motel accommodation units on that land used for the purposes of tourist and visitor accommodation at any time.*
- (3) *In this clause—*

***integrated tourist development** means development carried out on a single parcel of land for the purposes of major tourist facilities that include an 18-hole golf course.*

It is proposed to **amend** clause 7.11 as follows

Proposed Clause 7.11

- (1) This clause applies to land at Wine Country Drive, Pokolbin, being Lots 2–4, DP 869651, Lot 11, DP1187663, and Lot 1 DP1233030.
- (2) Development consent must not be granted to any development on land to which this clause applies unless—
 - a) the consent authority is satisfied that the development is integrated tourist development, and
 - b) the total number of permanent residential dwellings on that land does not exceed 640, and
 - c) the total number of tourist and visitor accommodation units on that land does not exceed 300.

(3) Up to 200 permanent residential dwellings may be constructed at the same time as the golf course. The golf course must be completed prior to the completion and occupation of up to 200 residential dwellings. The remaining stages will be delivered generally in accordance with the previously approved staging plan.

Note: The wording of subclause (3) may be refined by Parliamentary Counsel during the legal drafting of the instrument.

(4) In this clause—

integrated tourist development means development carried out on a single parcel of land for the purposes of major tourist facilities that include an 18-hole golf course.

3.3 JUSTIFICATION

STRATEGIC MERIT

SECTION A – NEED FOR THE PLANNING PROPOSAL

3.3.1 Is the Planning Proposal a result of an endorsed LSPS, strategic study or report?

The proposed Planning Proposal is not a result of an endorsed LSPS, strategic study or report however it does reflect the existing objectives of the current and the draft strategic reports.

The proposal would support the growth of the Vineyard District's viticulture and tourism sectors, which are key contributors to the local economy, and its continued growth and sustainability. It is estimated that the proposal would generate 597 direct jobs providing 11% of Cessnock's LSPS 2036 jobs target (5,369). The hotel (including villas) alone will generate an estimated 793 direct and indirect jobs. There will be 1,250 jobs in total which is 900+ more jobs than the approved concept plan.

The planning proposal will also provide housing choices and affordability for existing workers within the area and people wishing to relocate to the area and underpins the existing tourist economy. The proposal includes small-lot housing to large-lot housing to provide users with more flexible and affordable housing choices.

The above outcomes of the planning proposal are consistent with the aims and objectives of the LSPS and other strategic reports including Hunter Regional Plan 2036 and draft Hunter Regional Plan 2041, which has been detailed in further sections of the report.

3.3.2 Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

This Planning Proposal has been discussed with Council and it is considered that this is the best way to achieve the intended outcomes. Primarily it only relates to a numerical variation and does not impact the existing approved uses on-site, nor the intent of the LEP.

SECTION B – RELATIONSHIP TO THE STRATEGIC PLANNING FRAMEWORK

3.3.3 Will the Planning Proposal give effect to the objectives and actions of the applicable regional or district plan or strategy (including any exhibited draft plans or strategies)?

Hunter Regional Plan 2036

The Hunter Regional Plan provides an overarching framework to guide the development and investment in the future of the Hunter Region.

This proposal is consistent with the following goals and directions:

Goal 1: The leading regional economy in Australia; Direction 9: Grow tourism in the region:

The Planning Proposal would support the establishment of a **world-class Lovedale Integrated Tourist Development** on this site, which would raise the profile of the Hunter Region as a major tourism destination. This would not be achievable without increasing the density and type of residential dwellings on site. This requires this amendment to the Cessnock Local Environmental Plan.

A total of \$100m annual contribution has been calculated to GDP and 1250 direct and indirect jobs from the intensified Lovedale Integrated Tourist Development. The construction value of the proposal is \$550m, contributing \$302m to Cessnock's Gross Regional Product. Additionally, the increased density of residential lots will increase the annual household expenditure by 87% (\$22.3m).

Goal 4: Greater housing choice and jobs; Direction 22: Promote housing diversity:

The Planning Proposal focuses on providing diversified housing options to the users. The approved concept plan for this site provides only 700m² lots while the Planning Proposal will provide varying lot sizes from 230m² to 3,000m², and apartment-style living. This will provide flexible and affordable housing choices within the previously approved development footprint.

Local Government Narratives

The HRP2036 contains Local Government Narratives for each of the Local Governments within the Hunter Region. Page 64 of that document includes a specific reference to future housing and urban renewal opportunities at the LITD (formerly Golden Bear).

Housing

Future housing and urban renewal opportunities:

Deliver existing Urban Release Areas at Bellbird North, Nulkaba, Huntlee, Greta (Anvil Creek), West Street Greta, Golden Bear, Vintage Balance, Mount View Road, Rose Hill, Clifleigh and Avery's Village.

Draft Hunter Regional Plan 2041

The Draft Hunter Regional Plan 2041 envisages expanding the regional plan, by extending it a further 5-years from 2036 to 2041. The plan is a response to the changing ways people live and work in light of the COVID-19 pandemic and is based on place-making principles.

The plan identifies the subject site as existing 'large-scale tourism' within one of the Regionally Significant Growth Areas being Viticulture Growth Area, as shown in **Figure 3** below.

The plan promotes the growth of the tourism industry and employment opportunities by leveraging the area's unique landscape and rural characteristics. Development within the Viticulture Growth Area would incorporate native vegetation, riparian corridors, and tree-lined streets. The plan encourages the incorporation of active transport to better engage the users with the natural surroundings. Tourism growth is sustainable over the long term in this one.

The development will continue to be '**Lovedale Integrated Tourist Development**', which is considered sympathetic to the existing character and above-mentioned objectives for the area. The proposal will create a significant number of jobs and provide varied housing options. The proposed increase in the residential density will be within the existing approved footprint. Hence, the proposal is considered consistent with the objectives and outcomes for the Viticulture Growth Area.

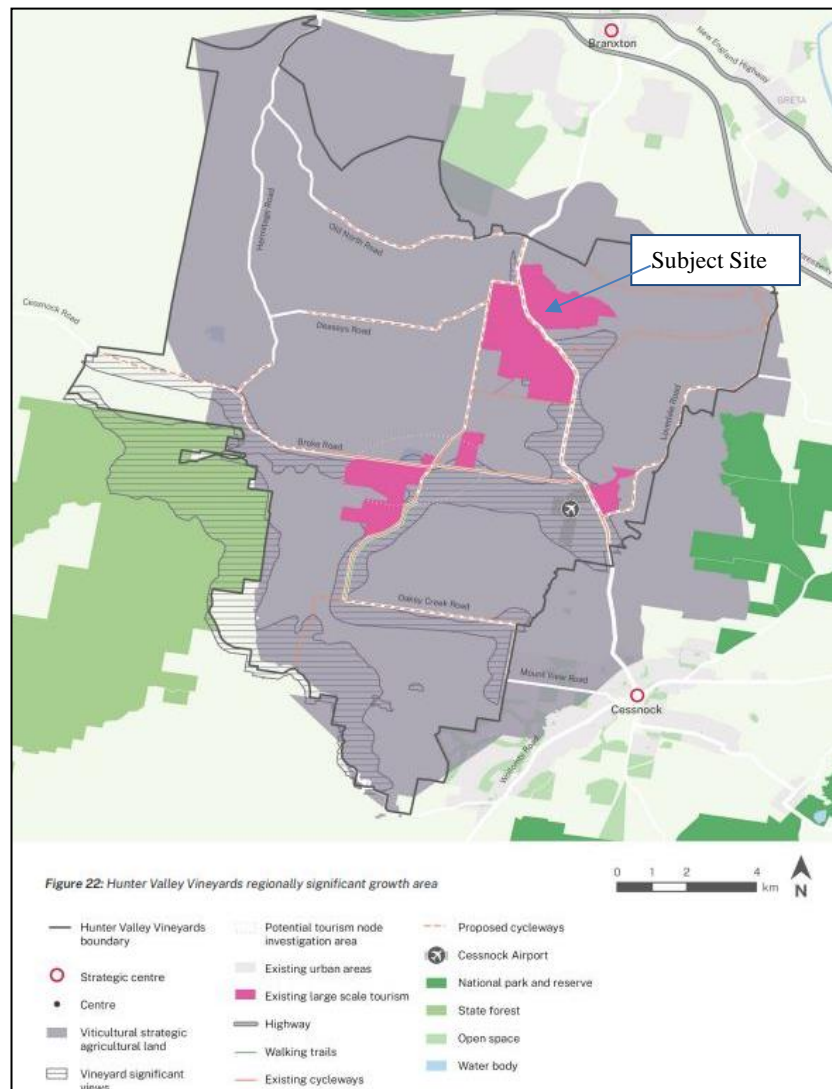


Figure 3: Hunter Valley Vineyards Regionally Significant Growth Area

Source: Draft Hunter Regional Plan 2041

3.3.4 Is the Planning Proposal consistent with a Council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

Cessnock Local Strategic Planning Statement (LSPS) 2036

The Cessnock LSPS aims to guide the sustainable future growth of the city by integrating land use, transport, and infrastructure planning. The plan is consistent with the *Greater Newcastle Metropolitan Plan 2036* and *Hunter Regional Plan 2036*.

The intensification and diversification of the residential component of this project are central to the ability to provide a large-scale **world-class Lovedale Integrated Tourist Development**. The benefits, therefore, of this proposed amendment, not only relate to the ability to provide a range of housing choice but facilitates the wider benefits that flow from the whole Lovedale Integrated Tourist Development.

The proposed amendment would support the growth of the Vineyard District's viticulture and tourism sectors, which are key contributors to the local economy, and its continued growth and sustainability. It will also provide housing choice and affordability for existing workers within the area and people wishing to relocate to the area and underpins the existing tourist economy.

It is estimated that the proposal would generate 597 direct jobs providing 11% of Cessnock's LSPS 2036 jobs target (5,369). The hotel (including villas) alone will generate an estimated 793 direct and indirect jobs. There will be 1,250 jobs in total which is 900+ more jobs than the approved concept plan. The proposal would generate a tourism expenditure of \$43m per annum.

The proposed Planning Proposal is essential for the success of this large-scale Lovedale Integrated Tourist Development.

The following table (Table 1) summarises the consistency of the Planning Proposal with various planning priorities under the Cessnock LSPS.

Planning Theme/Priorities	Comment
1. LIVEABLE	
As, the proposal focuses on uplifting the existing residential capacity to provide users with varied affordable, and flexible options, it is highly consistent with this theme of the LSPS. The following describes the consistency of the Planning Proposal with the various planning priorities under this theme:	
Planning Priority 1: Our urban areas are compact	The Planning Proposal proposes to increase the density of the residential lots by varying the types of dwellings. The approved concept plan provides 700m ² lots while the planning proposal seeks to include varied lot sizes from 230m ² to 3000m ² and apartments. It focuses on creating a compact development whilst increasing housing diversity and affordability.
Planning Priority 2: Housing is diverse, adaptable, and affordable and our urban areas facilitate affordable living.	As summarised above, the proposal not only focuses on intensifying the development but also diversifying the housing options. The proposal includes small-lot housing, apartment-style living to large-lot housing to provide users with more flexible and affordable housing options.
Planning Priority 3: The character and vitality of our town centres and villages is protected and enhanced.	The proposal envisions increasing the standard of the previously approved development to a 'World Class' standard. The development will continue to be 'Lovedale Integrated Tourist Development' and reflects similar objectives as the current approval. Therefore, the planning proposal would not have any additional impact on the character or vitality of the area.
Planning Priority 4: Our community is safe, healthy, and active.	The Planning Proposal seeks to diversify and intensify the existing housing. Creating a compact development will not only increase the walkability of the area but will also encourage social interaction, therefore, supporting users' health and well-being.
Planning Priority 5: Infrastructure and services meet the needs of our community and are appropriately funded.	Being located opposite 'The Vineyard Development', the site is generally well-serviced by the existing infrastructure and services. Wine Country Drive provides primary access to the site. There are existing services of Water, Electricity, and NBN connection that are located in the vicinity of the

	site, capable of being upgraded to meet the approved site uses.
Planning Priority 6: Rural residential, large lot residential development and environmental living are considered in limited and appropriate locations.	<p>The existing consent, operating on the site has established that the site can be fully serviced. The Planning Proposal will facilitate some larger lot residential to complement the housing mix. This is proposed within the existing footprint under the current approval.</p> <p>No additional impacts/encroachment on the surrounding agricultural land or vineyards are envisaged.</p>
Planning Priority 7: Urban development is encouraged in areas with existing infrastructure.	<p>As explained previously in this Table, the site is located opposite the well-established 'The Vineyard Development' and has all the existing facilities of infrastructure and services available to it.</p> <p>The Planning Proposal only seeks to uplift the currently approved number of dwellings on the site.</p>
2. PRODUCTIVE	
<p>The Planning Proposal does not change the zoning and use of the site, it only proposes to increase residential densities in an already approved Lovedale Integrated Tourist Development. Therefore, no additional impacts are considered on the surrounding landscape and vineyard character of the area.</p> <p>The Planning Proposal will only uplift the social and economic benefits associated with the current development and is considered consistent with the planning priorities set out under this theme.</p>	
3. SUSTAINABLE	
<p>This theme identifies and protects significant environmental land and natural assets.</p> <p>The Planning Proposal only seeks to increase the density of the development without impacting the previously approved footprint. Therefore, no additional environmental impacts or impacts on critical habitats or threatened species are anticipated.</p>	
4. UNIQUE	
<p>The Planning Proposal does not change the zoning or permissibility of the approved development. The development will continue to be 'Lovedale Integrated Tourist Development' and reflects the same objectives as the current approval.</p> <p>The Planning Proposal will facilitate the enhancement of the existing tourism character of the development to bring it to an international standard and is, therefore, consistent with the planning priorities/objectives of this theme.</p>	

Table 1: Consistency of Planning Proposal with Cessnock LSPS*Source: HDB Town Planning & Design*

Cessnock Housing Strategy

The Cessnock Housing Strategy expresses the need for unique and diversified housing for the LGA. It also encourages increasing the supply of housing affordability. It estimates the need for an additional 9,250 households to housing the growing population from 2016 to 2036, which equates to 460 dwellings per year.

The proposed amendment will facilitate up to 640 residential dwellings of varying sizes within the previously approved development footprint, which only achieved 300 dwellings.

This variety in size and type of housing will not only diversify the housing choice in the area but also contributes to affordability. Moreover, it will increase the overall housing supply in the area, therefore, contributing to the objectives of the Cessnock Housing Strategy.

3.3.5 Is the Planning Proposal consistent with any other applicable state and regional studies or strategies?

The Planning Proposal is not inconsistent with other applicable state regional studies or strategies.

3.3.6 Is the Planning Proposal consistent with applicable SEPPs?

The following table examines the applicable State Environmental Planning Policies as they relate to the Planning Proposal.

SEPP	RELEVANCE	IMPLICATION
State Environmental Planning Policy (Planning Systems) 2021	The policy identifies the development of State and Regional significant developments.	Not Applicable
State Environmental Planning Policy (Biodiversity and Conservation) 2021	The policy objective is to preserve, conserve and manage NSW's natural environment and heritage.	See comment below
State Environmental Planning Policy (Resilience and Hazards) 2021	The policy applies to land within the coastal zone. It aims in establishing a land use planning framework to guide decision-making in the zone.	Not Applicable
State Environmental Planning Policy	The SEPP ensures the effective delivery of Infrastructure and service facilities through a consistent planning regime across NSW.	See comment below

(Transport and Infrastructure) 2021		
State Environmental Planning Policy (Industry and Employment) 2021	The policy aims to provide for the coordinated planning and development of land for future development and infrastructure provision in the Western Sydney Employment Area.	Not Applicable
State Environmental Planning Policy (Resources and Energy) 2021	The policy recognises the importance of Mining, Petroleum Production, and Extractive Industries to the State of New South Wales.	Not Applicable
State Environmental Planning Policy (Primary Production) 2021	The policy aims in facilitating the orderly economic use and development of land for primary production.	Not Applicable
State Environmental Planning Policy (Precincts—Eastern Harbour City) 2021	SEPP ensures the orderly use, development, or conservation of State Significant precincts for the benefit of the State.	Not Applicable
State Environmental Planning Policy (Precincts—Central River City) 2021	SEPP ensures the orderly use, development, or conservation of State Significant precincts for the benefit of the State.	Not Applicable
State Environmental Planning Policy (Precincts—Western Parkland City) 2021	SEPP ensures the orderly use, development, or conservation of State Significant precincts for the benefit of the State.	Not Applicable
State Environmental Planning Policy (Precincts—Regional) 2021	SEPP ensures the orderly use, development, or conservation of State Significant precincts for the benefit of the State.	Not Applicable
State Environmental Planning Policy (Exempt and Complying Development Codes) 2008	The policy applies to the entire state providing a streamlined assessment process for certain developments which comply with specified development standards.	Not Applicable

Table 2: State Environment Planning Policy (SEPP)*Source: HDB Town Planning & Design*

COMMENT:**State Environmental Planning Policy (Biodiversity and Conservation) 2021****Biodiversity**

The site has an active existing approval for **Lovedale Integrated Tourist Development** under DA 8/2016/551/1. The approved development includes the development of 300 dwellings, 300 tourist accommodation units, a golf course, and additional ancillary activities.

The proposed amendment only seeks to increase the existing residential density of the site and will facilitate up to 640 residential dwellings of varying sizes. This addition of 340 dwellings in total will be achieved within the existing development footprint, and therefore, no additional impacts on the existing flora and fauna have been envisaged in the planning proposal.

Heritage

An Aboriginal Due Diligence report has been prepared for the site with respect to the DA 8/2016/551/1 approved.

This Planning Proposal would facilitate the project outcome which is within the same development footprint as previously approved and has been assessed with respect to environmental heritage.

State Environmental Planning Policy (Transport and Infrastructure) 2021**Transport**

The planning proposal will provide for an additional 340 dwellings. The site already has active development consent for 300 dwellings, 300 tourist accommodation units, a golf course, and additional activities as part of **Lovedale Integrated Tourist Development**.

This was previously referred to Transport for New South Wales (TfNSW) and their comments were included in the Conditions of Consent issued for the Lovedale Integrated Tourist Development under DA Consent 8/2016/551/1. TfNSW required the construction of a roundabout at the intersection of Wine Country Drive.

Subsequent development applications for the additional lots flowing from this Planning Proposal will also be referred to TfNSW for comment in accordance with the processing of any DAs.

The size of the increase in traffic generated by an additional 340 dwellings is however minimal in comparison to the whole approved development and can adequately be catered for by the construction of a suitably designed intersection. All roads on site will be private.

The previous transport study will be updated as part of future development applications and referred to Transport for New South Wales for comment, at the DA stage.

Transport for NSW has however recently been contacted for comment on the additional dwellings, and such will be supplied to Council when reviewed.

Hunter Water

Extensive prior consultation has been carried out with Hunter Water in regard to the preparation of a development application for the approved Lovedale Integrated Tourist Development on this site and their requests have been included in the Consent issued under DA8/2016/551/1.

Further consultation has been held with Hunter Water recently during the assessment phase of the Planning Proposal, and revised requirements for the Development Application have been obtained (dated July 2022). Please find it attached as ***Appendix B – Development Requirements Letter by HWC.***

3.3.7 Is the Planning Proposal consistent with applicable Ministerial Directions (section 9.1 Directions)?

LOCAL PLANNING DIRECTIONS

DIRECTION	OBJECTIVE	COMMENT
Focus Area 1: Planning Systems		
1.2 Implementation of Regional Plans	The objective of this direction is to give legal effect to the vision, land use strategy, goals, directions, and actions contained in Regional Plans.	The Planning Proposal is consistent with this direction. The consistency of this Planning Proposal with the Hunter Regional Plan is justified in the previous section 3.3.3 of this document.
1.3 Development of Aboriginal Land Council land	The objective of this direction is to provide for the consideration of development, and delivery plans prepared under Chapter 3 of the State Environmental Planning Policy (Planning Systems) 2021 when planning proposals are prepared by a planning proposal authority.	The proposed amendment does not alter the existing approved development footprint on site. An Aboriginal assessment has been undertaken as part of the previous rezoning and subsequent Development applications.
1.4 Approval and Referral Requirements	The objective of this direction is to ensure that LEP provisions encourage the efficient and appropriate assessment of development.	The Planning Proposal is substantially consistent with this direction as it does not require concurrence, nor is it a Designated Development under <i>schedule 3</i> of

		the Environmental Planning and Assessment Regulation 2000.
1.5 Site Specific Provisions	The objective of this direction is to discourage unnecessarily restrictive site-specific planning controls.	<p>The proposal is consistent with this direction.</p> <p>The proposal for Lovedale Integrated Tourist Development is consistent with the SP3 zoning. It only provides for numeric variations.</p>
Focus Area 1: Planning Systems – Place Based		
1.6 Parramatta Road Corridor Urban Transformation Strategy	<p>The objectives of this direction are to:</p> <p>(a) facilitate development within the Parramatta Road Corridor that is consistent with the Parramatta Road Corridor Urban Transformation Strategy (November 2016), the Parramatta Road Corridor Implementation Tool Kit, and the Parramatta Road Corridor Urban Transformation Implementation Update 2021,</p> <p>(b) provide a diversity of jobs and housing to meet the needs of a broad cross-section of the community, and (c) guide the incremental transformation of the Parramatta Road Corridor in line with the delivery of necessary infrastructure.</p>	<p>Not Applicable.</p> <p>The direction does not apply to the subject site.</p>
1.7 Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan	The objective of this direction is to ensure development within the North West Priority Growth Area is consistent with the North West Priority Growth Area Land Use and Infrastructure Strategy (the Strategy).	<p>Not Applicable.</p> <p>The direction does not apply to the subject site.</p>
1.8 Implementation of Greater	The objective of this direction is to ensure development within the	Not Applicable.

Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	Greater Parramatta Priority Growth Area is consistent with the Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan dated July 2017 (the Interim Plan).	The direction does not apply to the subject site.
1.9 Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	The objective of this direction is to ensure development within the Wilton Priority Growth Area is consistent with the Wilton Interim Land Use and Infrastructure Implementation Plan and Background Analysis.	Not Applicable. The direction does not apply to the subject site.
1.10 Implementation of Glenfield to Macarthur Urban Renewal Corridor	The objective of this direction is to ensure development within the precincts between Glenfield and Macarthur is consistent with the plans for these precincts.	Not Applicable. The direction does not apply to the subject site.
1.11 Implementation of the Western Sydney Aerotropolis Plan	The objective of this direction is to ensure development within the Western Sydney Aerotropolis is consistent with the Western Sydney Aerotropolis Plan dated September 2020.	Not Applicable. The direction does not apply to the subject site.
1.12 Implementation of Bayside West Precincts 2036 Plan	The objective of this direction is to ensure development within the Bayside West Precincts (Arncliffe, Banksia, and Cooks Cove) is consistent with the Bayside West Precincts 2036 Plan (the Plan).	Not Applicable. This direction is not applicable to the subject site.
1.13 Implementation of Planning Principles for the Cooks Cove Precinct	The objective of this direction is to ensure development within the Cooks Cove Precinct is consistent with the Cooks Cove Planning Principles.	Not Applicable. The direction is not applicable to the subject site.
1.14 Implementation of St Leonards and	The objective of this direction is to ensure development within the St Leonards and Crows Nest Precinct	Not Applicable. The direction does not apply to the subject site.

Crows Nest 2036 Plan	is consistent with the St Leonards and Crows Nest 2036 Plan (the Plan).	
1.15 Implementation of Greater Macarthur 2040	The objective of this direction is to ensure that development within the Greater Macarthur Growth Area is consistent with Greater Macarthur 2040 dated November 2018.	Not Applicable. This direction does not apply to the subject site.
1.16 Implementation of the Pyrmont Peninsula Place Strategy	<p>The objectives of this direction are to:</p> <p>(a) facilitate development within the Pyrmont Peninsula that is consistent with the Pyrmont Peninsula Place Strategy (Place Strategy) and the Economic Development Strategy,</p> <p>(b) align the planning framework with the Eastern City District Plan Planning Priority E7 Growing a Stronger and More Competitive Harbour CBD and actively support the consistent delivery of objectives in the Eastern City District Plan and Greater Sydney Region Plan, and</p> <p>(c) guide growth and change balanced with character, heritage, and infrastructure considerations (amongst others) across the Peninsula under the Place Strategy.</p>	Not Applicable. The direction does not apply to the subject site.
1.17 Northwest Rail Link Corridor Strategy	<p>The objectives of this direction are to:</p> <p>(a) promote transit-oriented development and manage growth around the eight train stations of the Northwest Rail Link (NWRL), and</p>	Not Applicable. This direction does not apply to the subject site.

	(b) ensure development within the NWRL corridor is consistent with the proposals set out in the NWRL Corridor Strategy and precinct Structure Plans.	
1.18 Implementation of the Bays West Place Strategy	<p>The objectives of this direction are to:</p> <p>(a) facilitate development within the Bays West precinct that is consistent with the Bays West Place Strategy (Place Strategy) and the Urban Design Framework (which includes the Sustainability Framework and Connecting with Country Framework),</p> <p>(c) actively support the consistent delivery of objectives in the Eastern City District Plan and Greater Sydney Region Plan, and</p> <p>(d) guide growth and change balanced with character, Indigenous and European heritage, working harbour and infrastructure considerations across the Bays West precinct under the Place Strategy.</p>	<p>Not Applicable.</p> <p>This direction does not apply to the subject site.</p>
Focus Area 2: Design in Place		
Focus Area 3: Biodiversity and Conservation		
3.1 Conservation Zones	The objective of this direction is to protect and conserve environmentally sensitive areas.	<p>The Planning Proposal is consistent with the direction.</p> <p>The proposed amendment will not reduce Conservation Standards that apply to the land.</p> <p>The alterations provided by this planning proposal will be contained within the previously approved development footprint for the Lovedale Integrated Tourist Development under</p>

		DA 8/2016/551/1 and no further impact will be caused.
3.2 Heritage Conservation	The objective of this direction is to conserve items, areas, objects, and places of environmental heritage significance and indigenous heritage significance.	<p>The Planning Proposal is consistent with the requirements of the direction.</p> <p>This Planning Proposal does not alter the previously approved development footprint which has been assessed with respect to environmental heritage.</p>
3.3 Sydney Drinking Water Catchments	The objective of this direction is to protect water quality in the Sydney drinking water catchment.	<p>Not Applicable.</p> <p>The subject site does not come under the Sydney Drinking Water Catchment.</p>
3.4 Application of C2 and C3 Zones and Environmental Overlays in Far North Coast LEPs	The objective of this direction is to ensure that a balanced and consistent approach is taken when applying conservation zones and overlays to land on the NSW Far North Coast.	<p>Not Applicable.</p> <p>Neither direction applies to the subject site, nor does it introduce or alter specified environmental and conservation zones.</p>
3.5 Recreation Vehicle Areas	The objective of this direction is to protect sensitive land or land with significant conservation values from adverse impacts from recreation vehicles.	<p>Not Applicable.</p> <p>The Planning Proposal is not for the purpose of the development of a recreation vehicle area.</p>
Focus Area 4: Resilience and Hazards		
4.1 Flooding	<p>The objectives of this direction are to:</p> <p>(a) ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the Floodplain Development Manual 2005, and</p> <p>(b) ensure that the provisions of an LEP that apply to flood prone land are commensurate with flood behaviour and includes</p>	<p>Not Applicable.</p> <p>The Planning Proposal does not seek the rezoning of flood-prone land, nor does it affect existing flood-prone land.</p> <p>The proposal only seeks to facilitate an increase in the density of the approved development within the existing development footprint which would be subject to a further DA.</p>

	consideration of the potential flood impacts both on and off the subject land.	
4.2 Coastal Management	The objective of this direction is to protect and manage coastal areas of NSW.	Not Applicable. This direction is not applicable to the subject site, as it does not come under coastal management land.
4.3 Planning for Bushfire Protection	The objectives of this direction are to: (a) protect life, property, and the environment from bush fire hazards, by discouraging the establishment of incompatible land uses in bush fire prone areas, and (b) encourage sound management of bush fire prone areas.	The Planning Proposal is justifiably consistent with the direction. There is an existing approval for the subject site. A Bushfire Report was prepared and considered by the NSWRFs with approval granted by Council under DA 8/2016/551/1. The Planning Proposal increases the number of residential dwellings within the approved development footprint. The majority of the site will be manicured gardens and a golf course with low ratings.
4.4 Remediation of Contaminated Land	The objective of this direction is to reduce the risk of harm to human health and the environment by ensuring that contamination and remediation are considered by planning proposal authorities.	Not Applicable. An existing consent for the Lovedale Integrated Tourist Development has been approved for this site.
4.5 Acid Sulfate Soils	The objective of this direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulfate soils.	This direction is not applicable to the subject site.
4.6 Mine Subsidence and Unstable Land	The objective of this direction is to prevent damage to life, property and the environment on land identified as unstable or	Not Applicable. This direction is not applicable to the subject site, as it does not fall under Mine Subsidence District under Council's Mapping.

	potentially subject to mine subsidence.	
Focus Area 5: Transport and Infrastructure		
5.1 Integrating Land Use and Transport	<p>The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:</p> <ul style="list-style-type: none"> (a) improving access to housing, jobs, and services by walking, cycling and public transport, and (b) increasing the choice of available transport and reducing dependence on cars, and (c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and (d) supporting the efficient and viable operation of public transport services, and (e) providing for the efficient movement of freight. 	<p>There is an existing concept approval for development of the site for 300 tourist accommodation units and 300 residential dwellings.</p> <p>The increase number of dwellings in this location, combined with the existing Vintage development may better support public transport services servicing these two residential and tourist nodes.</p>
5.2 Reserving Land for Public Purposes	<p>The objectives of this direction are to:</p> <ul style="list-style-type: none"> (a) facilitate the provision of public services and facilities by reserving land for public purposes, and (b) facilitate the removal of reservations of land for public purposes where the land is no longer required for acquisition. 	<p>Not Applicable.</p> <p>The Planning Proposal does not involve any land reserved for Public Purposes.</p>
5.3 Development Near Regulated	<p>The objectives of this direction are to:</p>	<p>This direction is not applicable to the subject site.</p>

Airports and Defence Airfields	<p>(a) ensure the effective and safe operation of regulated airports and defence airfields.</p> <p>(b) ensure that their operation is not compromised by development that constitutes an obstruction, hazard or potential hazard to aircraft flying in the vicinity; and</p> <p>(c) ensure development, if situated on noise sensitive land, incorporates appropriate mitigation measures so that the development is not adversely affected by aircraft noise.</p>	
5.4 Shooting Ranges	<p>The objectives are to:</p> <p>(a) maintain appropriate levels of public safety and amenity when rezoning land adjacent to an existing shooting range,</p> <p>(b) reduce land use conflict arising between existing shooting ranges and rezoning of adjacent land,</p> <p>(c) identify issues that must be addressed when giving consideration to rezoning land adjacent to an existing shooting range.</p>	<p>Not Applicable.</p> <p>The Planning Proposal does not impact or alter the Shooting Range, as there is no shooting range located adjoining the subject site.</p>
Focus area 6: Housing		
6.1 Residential Zones	<p>The objectives of this direction are to:</p> <p>(a) encourage a variety and choice of housing types to provide for existing and future housing needs,</p> <p>(b) make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and</p>	<p>The Planning Proposal is consistent with the objectives of this direction.</p> <p>The proposal does not impact any existing zones and only increases residential density on the site. The Planning Proposal will facilitate additional 340 residential lots of varied lot sizes to diversify the housing typologies, providing</p>

	(c) minimise the impact of residential development on the environment and resource lands.	flexible/ affordable housing options. The subject site has access to the existing infrastructure and services facilities, with Primary access to the site via Wine Country Drive. The site has access to Water, Electricity, and NBN connection which are capable of being upgraded to meet approved site uses. The additional dwellings will be incorporated within the existing approved development footprint.
6.2 Caravan Parks and Manufactured Home Estates	The objectives of this direction are to: (a) provide for a variety of housing types, and (b) provide opportunities for caravan parks and manufactured home estates.	Not Applicable. The Planning Proposal does not have any inclusion of Caravan Parks and Manufactured Home Estates.
Focus Area 7: Industry and Employment		
7.1 Business and Industrial Zones	The objectives of this direction are to: (a) encourage employment growth in suitable locations, (b) protect employment land in business and industrial zones, and (c) support the viability of identified centres.	Not Applicable. The direction is only applicable to the existing or proposed industrial or commercial zone.
7.2 Reduction in non-hosted short-term rental accommodation period	The objectives of this direction are to: (a) mitigate significant impacts of short-term rental accommodation where non-hosted short-term rental accommodation period are to be reduced, and	Not Applicable. The direction only applies to Byron Shire Council.

	(b) ensure the impacts of short-term rental accommodation and views of the community are considered.	
7.3 Commercial and Retail Development along the Pacific Highway, North Coast	<p>The objectives for managing commercial and retail development along the Pacific Highway are to:</p> <p>(a) protect the Pacific Highway's function, that is to operate as the North Coast's primary inter- and intra-regional road traffic route,</p> <p>(b) prevent inappropriate development fronting the highway, (c) protect public expenditure invested in the Pacific Highway,</p> <p>(d) protect and improve highway safety and highway efficiency,</p> <p>(e) provide for the food, vehicle service and rest needs of travellers on the highway, and</p> <p>(f) reinforce the role of retail and commercial development in town centres, where they can best serve the populations of the towns.</p>	<p>Not Applicable.</p> <p>The direction does not apply to the subject site.</p>
Focus Area 8: Resources and Energy		
8.1 Mining, Petroleum Production and Extractive Industries	The objective of this direction is to ensure that the future extraction of State or regionally significant reserves of coal, other minerals, petroleum, and extractive materials are not compromised by inappropriate development.	<p>Not Applicable.</p> <p>The Planning Proposal does not involve or impact the mining of coal or other minerals, production of petroleum, or winning or obtaining of extractive materials.</p>
Focus Area 9: Primary Production		

9.1 Rural Zones	The objective of this direction is to protect the agricultural production value of rural land.	Not Applicable. The subject site does not come under Rural zoning.
9.2 Rural Lands	<p>The objectives of this direction are to:</p> <ul style="list-style-type: none"> (a) protect the agricultural production value of rural land, (b) facilitate the orderly and economic use and development of rural lands for rural and related purposes, (c) assist in the proper management, development, and protection of rural lands to promote the social, economic, and environmental welfare of the State, (d) minimise the potential for land fragmentation and land use conflict in rural areas, particularly between residential and other rural land uses, (e) encourage sustainable land use practices and ensure the ongoing viability of agriculture on rural land, (f) support the delivery of the actions outlined in the NSW Right to Farm Policy. 	Not Applicable. The subject site does not come under Rural Lands (rural or conservation zones).
9.3 Oyster Aquaculture	<p>The objectives of this direction are to:</p> <ul style="list-style-type: none"> (a) ensure that 'Priority Oyster Aquaculture Areas' and oyster aquaculture outside such an area are adequately considered when preparing a planning proposal, and (b) protect 'Priority Oyster Aquaculture Areas' and oyster aquaculture outside such an area 	Not Applicable. The Planning Proposal does not include oyster aquaculture or related uses.

	from land uses that may result in adverse impacts on water quality and consequently, on the health of oysters and oyster consumers.	
9.4 Farmland of State and Regional Significance on the NSW Far North Coast	<p>The objectives of this direction are to:</p> <p>(a) ensure that the best agricultural land will be available for current and future generations to grow food and fibre,</p> <p>(b) provide more certainty on the status of the best agricultural land, thereby assisting councils with their local strategic settlement planning, and</p> <p>(c) reduce land use conflict arising between agricultural use and non-agricultural use of farmland as caused by urban encroachment into farming areas.</p>	<p>Not Applicable.</p> <p>The direction does not apply to the subject site.</p>

Table 3: Local Planning Directions*Source: HDB Town Planning & Design*

SITE MERIT

SECTION C – ENVIRONMENTAL, SOCIAL, AND ECONOMIC IMPACT

3.3.8 Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected because of the Proposal?

The proposed Planning Proposal does not alter the zone on site or any uses. It is a numerical variation to change the maximum development threshold. The purpose being to diversify the housing type by introducing higher densities within the previously approved development footprint under DA 8/2016/551/1.

The impact on critical habitat or threatened species therefore should not alter from that previously examined under the concept approval above.

Irrespective, as part of each subsequent development application for this site, a full flora and fauna assessment is required to be undertaken and submitted with the development application for assessment.

3.3.9 Are there any other likely environmental effects of the Planning Proposal and how are they proposed to be managed?

The intensification and diversification of the residential product on site as afforded by the proposed planning proposal will occupy the previously approved development footprint and therefore should not further impact on the area other than that previously considered and approved under DA 8/2016/551/1.

3.3.10 Has the Planning Proposal adequately addressed any social and economic effects?

The Planning Proposal will provide diversity in housing type and increase the number of residential dwellings onsite. It will support the Lovedale Integrated Tourist Development on site which will have a positive impact on the social and economic values of the area as examined in *Appendix A*.

SECTION D – INFRASTRUCTURE (LOCAL, STATE, AND COMMONWEALTH)

3.3.11 Is there adequate public infrastructure for the Planning Proposal?

The Planning Proposal will increase residential densities in an already approved Lovedale Integrated Tourist Development with adequate access to public infrastructure. The development will be a Community Title development and on-site infrastructure will be provided and owned by the users.

In terms of the overall level of development, the increase afforded by the Planning Proposal, in terms of its demand on facilities, is relatively small and can be adequately catered for.

SECTION E – STATE AND COMMONWEALTH INTERESTS

As the proposed amendment is a numerical alteration to an existing clause and does not affect the zoning of the site or permissible uses, and further, that an existing, operational consent is current on the site, and still further that the Planning Proposal would not alter the approved development footprint, it was not considered necessary to refer the Planning Proposal to state and federal authorities.

3.3.12 What are the views of State and Federal public authorities and government agencies consulted in order to inform the Gateway determination?

See above.

3.4 PART 4 - MAPPING

The planning proposal does not include a mapping amendment.

3.5 PART 5 - COMMUNITY CONSULTATION

Initial consultation with Council has taken place. The Planning Proposal will be exhibited in accordance with the Gateway determination.

3.6 PART 6 – PROJECT TIMELINE

The owner is ready to start construction as soon as possible.

Following is the expected project timeline highlighting the key steps involved in the process;

S.No.	Key Steps	Timeframe
1.	Additional investigations prior to the exhibition	N/a
2.	Dates for public exhibition	December 2022
3.	Assessment	February 2023
4.	Submission to parliamentary Counsel	April 2023
5.	Finalisation of the LEP amendment	July 2023

Table 4: Project Timeline

Source: HDB Town Planning and Design

APPENDIX A

HILL PDA REPORT

PROPOSED UPGRADE TO HUNTER VALLEY INTEGRATED TOURISM DEVELOPMENT

Economic impact assessment



Prepared for Capital Hunter Pty Ltd

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Quality control

This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

Reviewer

Signature



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EXECUTIVE SUMMARY

HillPDA was commissioned by Capital Hunter Pty Ltd to undertake an economic impact assessment (the study) pertaining to an amendment to an approved masterplan for an integrated tourism development located at 1184 Wine Country Drive, Rothbury (the subject site).

This study assesses the potential economic impacts and benefits that would eventuate from an increase in the level of development on the site above that currently permitted under the Cessnock Local Environment Plan.

As noted above, the subject site has development approval under DA8/2016/557/1 from Cessnock City Council for a staged master-planned integrated tourist development which consisted of the following land uses:

- 300 residential land lots
- 50 key hotel
- A conference room which can accommodate up to 50 delegates
- 250 tourist villas
- An 18 hole golf course.

We understand that since the approval of the staged masterplan market conditions have shifted and the overall design for the site was revisited as part of a design competition. The results of the competition and the current market research led to a need to revisit the proposal. A high standard hotel with a different configuration supported by a large food and beverage precinct with additional compatible land uses and additional residential lots was demonstrated to meet a strong current latent demand. This has been supported by the growth of the town of Huntlee, in close proximity to the site. The Revised Design has expanded the uses as follows:

- Upgrading the standard of hotel to meet international standards, and increasing the number of hotel rooms from 50 keys to 140 keys (+90 keys)
- Expanding the conference facilities to accommodate up to 250 delegates
- Reducing the number of villas from 250 keys to 160 keys (-90 keys)
- The inclusion of a new food & beverage precinct
- The inclusion of a new international standard wine museum
- The inclusion of a new international standard art gallery
- The addition of 186 additional residential land lots
- The addition of 140 additional residential apartments integrated with the hotel and overlooking the golf course.

A summary of the approved masterplan scheme to the Revised Design is provided in Table 1.

Contextual review

Cessnock has experienced strong growth recently, which is expected to continue. The Revised Design would provide a range of land uses that would support the forecast growth in population and subsequent need for additional housing and jobs. In addition, the Revised Design will better respond to the increased demand for premium tourist accommodation in the locality, fuelled by strong domestic travel (as demonstrated over the past 18 months) and return of international tourists once borders open.

Around 73% of the Hunter Valley Vineyard District's land area is in Cessnock, making the viticulture and tourism industries key components of the LGA's economy. The tourism industry supports the growth and sustainability of the viticulture industry. Increased tourism development within the LGA is noted in several State and local strategies. Specifically, the Cessnock LSPS highlights that:

the wine and tourism industries are significantly co-dependent. Tourist and other non-agricultural development are an important component of the Vineyards District and help sustain the economic viability of viticulture. To support the wine industry Cessnock contains a diverse range of tourism development which supports the wine industry, including cellar doors, accommodation, restaurants and a variety of cultural and recreation facilities and events.

The Revised Design will provide a significant increase in the amount and type of tourism related services in the Vineyard District. The high standard hotel and supporting services, aimed at a higher-level international market, will underpin the economic viability of viticulture in the region by increasing its international presence. This aligns closely with the directions and actions of the existing strategic documents applicable to the area.

Tourism and visitor economy in the Hunter region

The tourism sector is a significant component of the Hunter Valley and Cessnock economies. The sector has been impacted by mitigation measures implemented to stop the spread of COVID-19. These impacts include a reduction in tourist accommodation, employment, visitor numbers and tourism expenditure.

The Revised Design would provide a range of tourism related land uses including accommodation, retail, recreation and cultural events. These land uses would directly support a locally led recovery from the impacts of COVID-19 and help in the continued growth and sustainability of the viticulture industry and wider economy.

The proposed hotel intends to offer a significantly superior hotel experience to any of the other venues in the Hunter region by offering the only five-star accommodation by international standards. There will be a focus on attracting international visitors to the region. As such the Revised Design will expand the region's offering and reach and will help to build the Hunter region's international reputation for luxury accommodation and experiences, thereby increasing and diversifying the tourist market in the Hunter Region.

The proposal also includes a wine museum which will include a providore to showcase Hunter region produce, restaurant, function space and art gallery. This will provide an added cultural attraction to the Hunter region. It will be a purpose-built space for wine information, education and history and be a centre for people to gather. It will entail aspects of wine culture without the association to a single winery brand and will include wine and food tasting, education and events.

Economic impacts from construction

Based on a higher estimated construction cost of \$550 million (excluding GST), the economic benefits resulting from the construction of the Revised Design are estimated as follows:

1. A total economic output of around \$1.73 billion
2. Directly generate 1,215 jobs¹ onsite in construction
3. A total of around 1,302 jobs¹, directly in design and construction
4. A total of 4,979 jobs¹ supported directly and indirectly nationally through production and consumption induced multiplier impacts
5. Contribute \$714.5 million directly and indirectly to the national economy (gross domestic product).

¹ Note that jobs in construction are not full time jobs given that the construction period is limited in time. Technically this refers to 'job years' where one 'job year' equals one full time job over one year. To calculate average FTE jobs, total job years can be divided by the number of years to complete the project. For example if the construction period is three years then 1,215 job years can be divided by three to derive an average of 405 jobs during the three year period of construction.

Economic impacts

The economic impacts that the Revised Design would generate post-construction or at the operational phase are compared against those generated under two base case scenarios. The two base case scenarios assessed are a “do nothing” option where the economic value of the opportunity cost of agricultural use is assessed. The second base case scenario assess the economic contribution that would result from the approved masterplan.

Economic impacts assessed under the operations phases include employment generation, gross value added (or contribution to gross regional product), workers’ remuneration, increased retail expenditure from the residential population on-site and tourism expenditure.

As summarised in the table below, the economic benefits of the Revised Design are significantly greater than those generated under each of the base cases. Based on the economic merits and potential, the Revised Design provides a superior economic performance.

Performance indicator	Option			Revised Design change from	
	Do nothing	Approved Masterplan	Revised Design	Do nothing base case	Approved Masterplan base case
Direct jobs on site (in operations)	6	151	597	591	446
Direct and indirect jobs (in operations)	14	316	1,250	1,236	934
Gross Value Added per annum	\$0.3m	\$9m	\$33m	\$33m	\$24m
Direct and indirect GVA per annum	\$1.1m	\$29m	\$100m	\$99m	\$71m
No. of residents	0	807	1,517	1,517	710
Residents spend on retail goods & services /ann	\$0m	\$12m	\$22m	\$22m	\$10m
Tourism spend on accommodation /ann	\$0m	\$14m	\$31m	\$31m	\$17m
Tourism spend on retail goods and service /ann	\$0m	\$7.5m	\$12m	\$12m	\$4.5m

Other economic benefits

The Planning Proposal would provide other benefits including the following:

- Contribute to dwelling and employment targets
- Contribute towards housing supply and diversity
- Contribute to a locally-led recovery from the impacts of COVID-19
- Provide employment opportunities for the tourism sector which have been impacted by COVID-19
- Enhanced service facilities for local residents and visitors
- Provision of greater employment self-sufficiency in the Cessnock LGA and the lower Hunter region
- More workers and residents in the locality will generate expenditure on retail goods and services to the benefit of existing businesses in the locality.
- Inputs into operations on site including food and beverages would be sourced from local suppliers
- The tourist components would raise the international profile of the Hunter region, helping to attract a greater number of international visitors and spend within the region.
- The tourist component would also give local producers and suppliers the opportunity to showcase their products – particularly in food and wine.

Benefits of additional housing

The components of the Revised Design including the international professional standard golf course, five-star international standard hotel and conference/reception, wine museum and associated tourist uses will bring considerable economic benefits to Hunter Valley.

The residential component will help to financially de-risk the project and provide housing choice to support the above, which is an integral component of this standard of development.

The additional housing will make a contribution towards increasing housing supply which will assist in keeping a check on house price increases and thereby contribute to improved affordability. It will also make a contribution towards meeting the housing targets under the LSPS and Cessnock Housing Strategy – around 400 to 600 more dwellings required each year to 2036.

The additional residents over and above the approved masterplan will generate \$10.4m more per annum on retail goods and services which will benefit existing businesses in the Cessnock LGA.

Economic impact summary

The economic benefits of the Revised Design are significantly stronger than the economic benefits under each of the base cases. Based on the economic merits and potential, the Revised Design provides a far superior economic outcome and is strongly supported from an economic impact perspective.

INTRODUCTION

1.0 INTRODUCTION

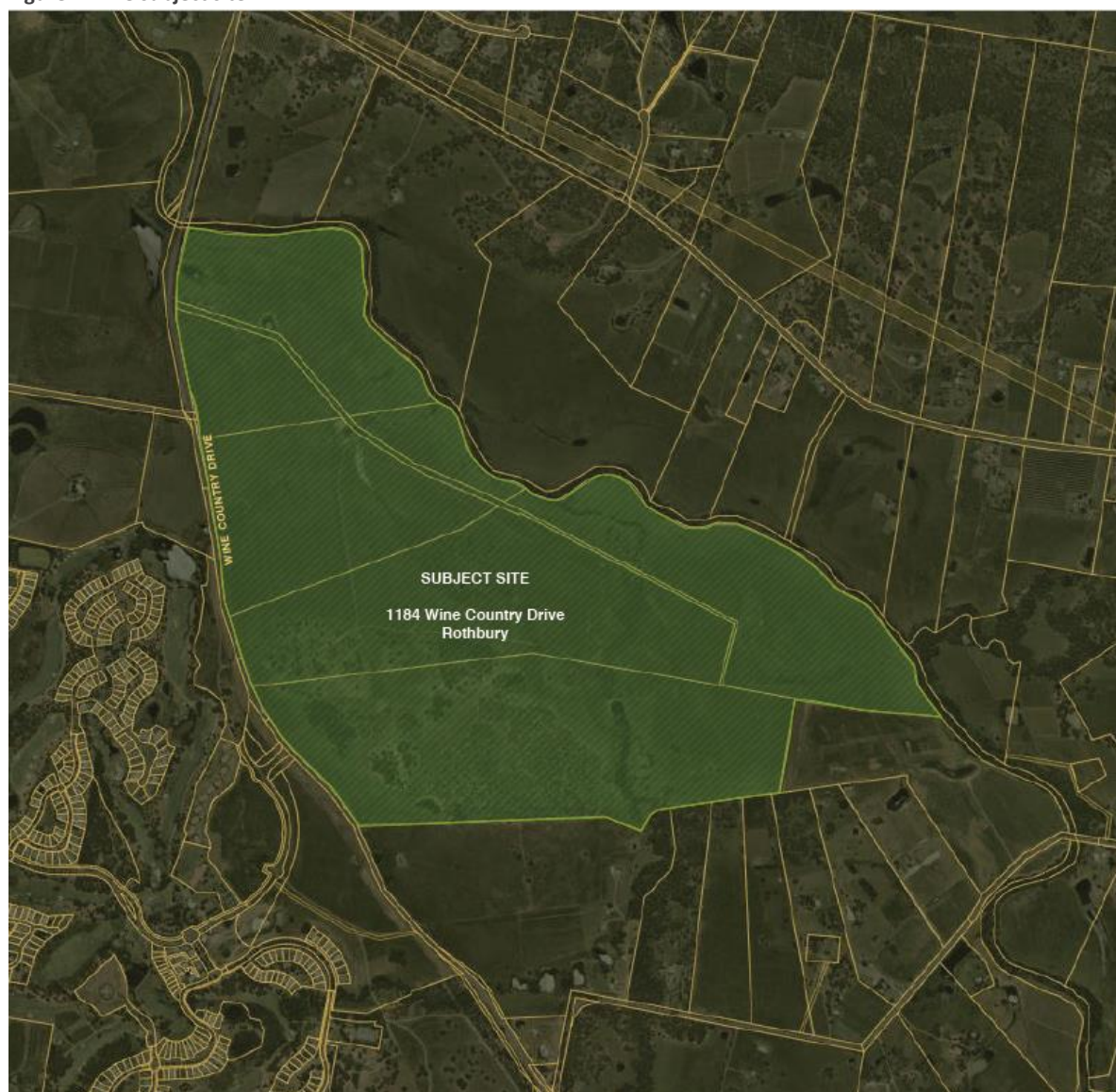
HillPDA was commissioned by Capital Hunter Pty Ltd to undertake an economic impact assessment (this study) pertaining to an amendment to an approved masterplan for an integrated tourism development located at 1184 Wine Country Drive, Rothbury (the subject site).

As such the purpose of this study is to assess the potential economic impacts and benefits of expanding the existing approved masterplan to reflect a stronger tourism offer. More specifically the assessment evaluates the economic potential and impacts of developing the revised scheme (i.e. Revised Design scenario) as compared to developing in accordance to the approved masterplan (i.e. approved masterplan scenario) and the 'status quo' (i.e. do nothing scenario). Note, although the study assesses State and local planning documents/strategies it does not include any specific planning or policy recommendations which would require consideration of a range of other factors which will be explored in other specialist studies being undertaken in the preparation of the Revised Design.

1.1 The subject site

The subject site (depicted in the figure below) comprises around 241 hectares of land in the City of Cessnock, which forms part of the Hunter Region. The land is currently being used for limited cattle grazing purposes and is largely underutilised. The subject site is strategically located 11 kilometres north of Cessnock and 7km south of the recently developed Huntlee Town Centre, which includes a full line Coles supermarket, supporting speciality stores, medical centre and childcare centre. The subject site is also directly opposite The Vintage estate in the 'Vineyard District' as defined by Cessnock City Council ('Council').

Figure 1: The subject site



Source: Hachem

1.2 The approved masterplan

As previously stated, the subject site has development approval (DA8/2016/557/1) for a staged masterplan which consists of the following land uses:

- 300 residential land lots
- 50 key hotel
- A conference room which can accommodate up to 50 delegates
- 250 tourist villas
- An 18-hole golf course.

Figure 2: Approved masterplan



Source: Hachem

1.3 The Revised Design

Since the approval of the masterplan, a revised masterplan has been developed. This Revised Design expands on the existing approved masterplan and includes additional compatible land uses on the site which are aimed at promoting tourism and the region's brand and profile internationally and locally. In addition to helping to drive tourism in the region, the expanded and enhanced scheme (i.e. the Revised Design) has also been curated to ensure the success and viability of the integrated tourism development.

The additional key components of the Revised Design include:

- Upgrading the hotel to a 5-star international standard
- Increasing the number of hotel rooms from 50 keys to 140 keys (+90 keys)
- Expanded conference facilities which can accommodate up to 250 delegates
- A decrease in villas from 250 keys to 160 keys (-90 keys)
- A new food & beverage precinct
- A new international standard wine museum
- A new international standard art gallery
- An additional 186 residential land lots
- An additional 140 residential apartments overlooking the golf course.

It should be noted that the hospitality uses as part of the Revised Design are intended to be delivered to the highest quality to ensure the new hotel will attract major international brands² and deliver an international standard of hospitality. As such the Revised Design (which also includes the only wine museum in the State) and proposed golf course would increase both domestic and international visitation to the Hunter region.

² The client is currently liaising with international brands including St Regis, Ritz Carlton and Intercon.

A summary of the changes from the approved masterplan to the Revised Design is provided in the following table.

Table 1: Approved masterplan and Revised Design land uses

Land use	Approved masterplan	Revised Design	Changes
Conference space	50 pax capacity	250 pax capacity	+ 200 pax
Hotel	50 keys (Domestic brand)	140 keys (5-star international standard)	+ 90 keys
Villas	250 keys	160 Ys	– 90 keys
Golf course	18 holes	18 holes	n/a
Day spa	100sqm	490sqm	390sqm
Wine museum & art gallery	0	1,500sqm	1,500sqm
Food and beverage	0	1,700sqm	1,700sqm
Residential lots	300 lots	486 lots	186 lots
Residential apartments	0	140 units	140 units

1.4 Study structure

To address the requirements of the brief, the study has been set out as follows:

- **Chapter 1 | Introduction:** This chapter
- **Chapter 2 | Tourism and visitor economy:** Examines the economic contribution that the tourism sector generates in the Hunter region.
- **Chapter 3 | Economic Impacts of construction:** Quantifies the likely economic benefits during construction.
- **Chapter 4 | Economic Impacts – Base case scenarios:** Examines the economic contribution under two base case scenarios, including the: ‘status quo’ or do nothing scenario and development in accordance with the approved masterplan scenario.
- **Chapter 5 | Economic Impacts – Revised Design:** Examines the economic implication that development under the Revised Design would have during the construction phase and post-construction. This is referred to as the “Planning Proposal case”. The economic implications of the Planning Proposal case are compared to the base case scenarios (estimated in Chapter 4).
- **Chapter 6 | The benefits of additional housing:** considers (and where possible quantifies) the economic benefits associated with the provision of additional housing in the region.
- **Chapter 7 | Contextual review:** Provides an assessment of previous studies and existing government plans and strategies that are of relevance to the study.

2.0 TOURISM & VISITOR ECONOMY

This section provides an overview of the tourism and visitor economy within the Cessnock LGA. Drawing on this review projections on the growth of tourists and visitors is undertaken. The section also provides a review of existing tourist facilities in the locality³.

2.1 Hunter tourist and visitor profile and economy

For the year ending March 2021, the Hunter received an estimated 8.6 million visitors. With the closures of international borders in 2020, the domestic market accounted for these visitors. Measures implemented to limit the spread of COVID-19 have impacted visitation rates to the Hunter, with almost 3.6 million fewer visitors to the Hunter in 2021 when compared to in the year ending March 2020 (12.2 million visitors).

Between 2016-2021, domestic day visitors comprised 64% of all visitors to the Hunter over the six-year period. Domestic overnight visitors were the next largest visitor type with 35%. International visitors were the lowest visitor segment with only one per cent of visitors to the Hunter over the period.

Proportionally, COVID-19 mitigation measures impacted international visitors the greatest, with a 100% reduction in tourist numbers in the year to March 2021. The Hunter witnessed a significant fall in domestic visitation over this period, in part due to the cancellation of local events and concerts. Domestic day visitors recorded the second largest proportional reduction over the period (-33%) followed by domestic overnight visitors (-19%).

Table 2: Tourist and visitor numbers to the Hunter (YE March 2021)

Visitor type	2016	2017	2018	2019	2020	2021*	Change 2016-21 #
International	157,000	175,000	203,000	206,000	169,000	0	-157,000
Domestic overnight	3,152,000	3,289,000	3,853,000	4,238,000	4,197,000	3,400,000	248,000
Domestic day	6,418,000	6,705,000	6,535,000	7,929,000	7,793,000	5,200,000	-1,218,000
Total ('000)	9,727,000	10,169,000	10,591,000	12,373,000	12,159,000	8,600,000	-1,127,000

Source: Tourism Research Australia, *Note visitation to the region was severely impacted by COVID-19 and border closures

Of visitors to the Hunter between 2016-21, the majority (98%) were domestic. Of these domestic visitors, 93% were intrastate while 5% were interstate visitors. This highlights the significant contribution that NSW residents make to the tourism and visitor sector in the Hunter region. It also reveals that, excluding further local lockdowns in NSW, the Hunter region will experience continuing demand for tourism related services from the local market.

Notwithstanding the above, the Revised Design will include high quality hospitality services to five-star international standards as well as provide a unique offering including the wine museum. This will create opportunities to further promote the Hunter region to international tourists as well as domestic tourists and increase visitation and spend across all three markets (i.e. international, domestic overnight and domestic day visits).

³ Please note that tourism and visitor information for Cessnock LGA is limited. State agencies provide data across the Hunter region which includes the major towns of Cessnock, Gloucester, Lake Macquarie, Muswellbrook, Newcastle, Pokolbin, Port Stephens and Singleton.

Table 3: Tourist and visitors (YE March)

Visitor type	2016	2017	2018	2019	2020	2021
Domestic - interstate	9,036,000	9,464,000	9,760,000	11,484,000	11,209,000	8,498,000
Domestic - intrastate	533,000	529,000	628,000	683,000	781,000	102,000
International	157,000	175,000	203,000	206,000	169,000	0
Total	9,726,000	10,168,000	10,591,000	12,373,000	12,159,000	8,600,000

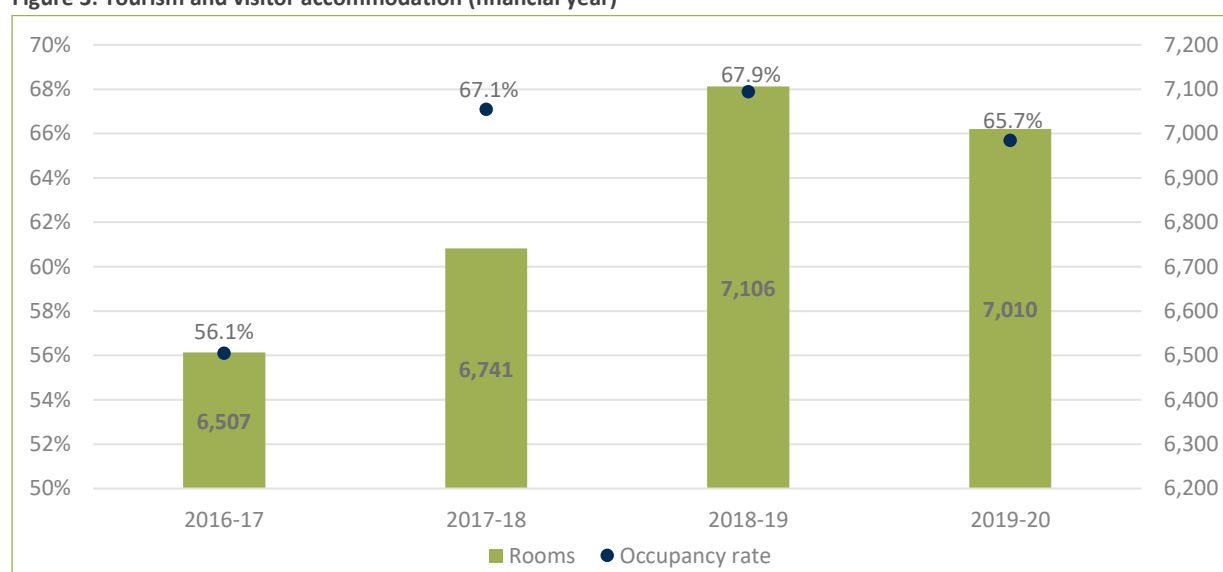
Source: Tourism Research Australia, HillPDA

2.1.1 Tourism and visitor accommodation

The number of accommodation rooms and occupancy rates across the Hunter region steadily increased between the 2016-17 and 2018-19 financial years to a total of 7,106 rooms and 67.9% occupancy. However, in the 2019-20 financial year, there was a loss of around 96 accommodation rooms and the occupancy rate decreased to 65.7%. This decline in available rooms and occupancy rate was due to the impacts of COVID-19 and restriction measures.

The tourism market is beginning to rebound post COVID-19. To grow and diversify the tourism base in the Hunter Region and meet the anticipated future demand for tourism related services there is need to provide a world class tourist offering in the Hunter region. The Revised Design will provide the first of its kind in the Hunter region and will deliver a differentiated and enhanced hotel experience. This would stimulate the Hunter region's tourism market and increase visitation numbers from both domestic and international travellers.

Figure 3: Tourism and visitor accommodation (financial year)

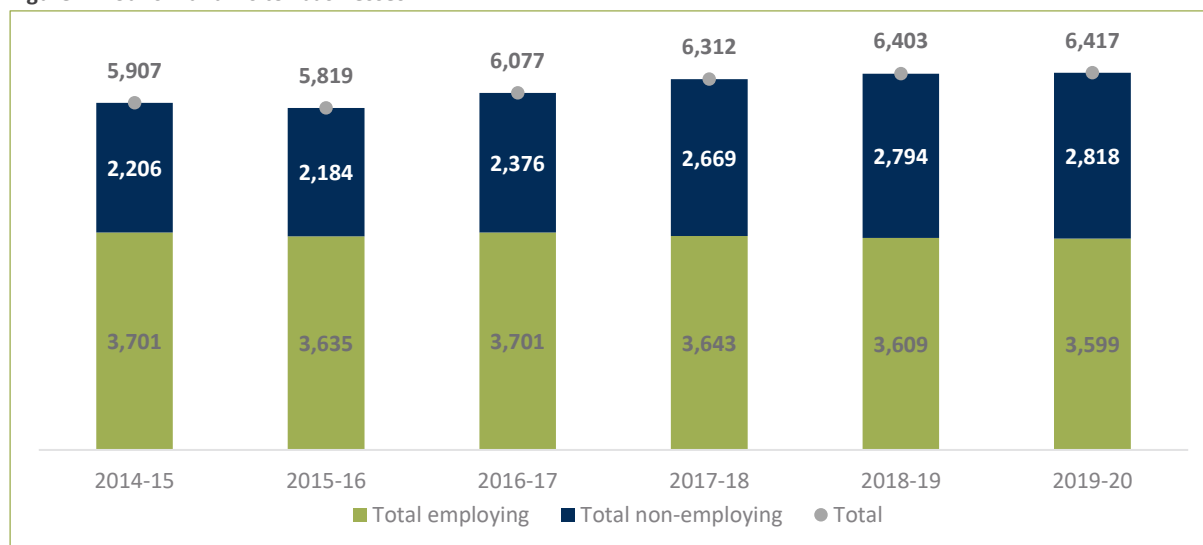


Source: Tourism Research Australia

2.1.2 Tourism and visitor businesses and employment

In the 2019-20 financial year, there were 6,417 tourism businesses located in the Hunter. This was around 510 businesses more than 2014-15 financial year (5,907 businesses). Over the six-year period, the number of non-employing tourism businesses increased by 612, conversely employing tourism businesses declined by around 102.

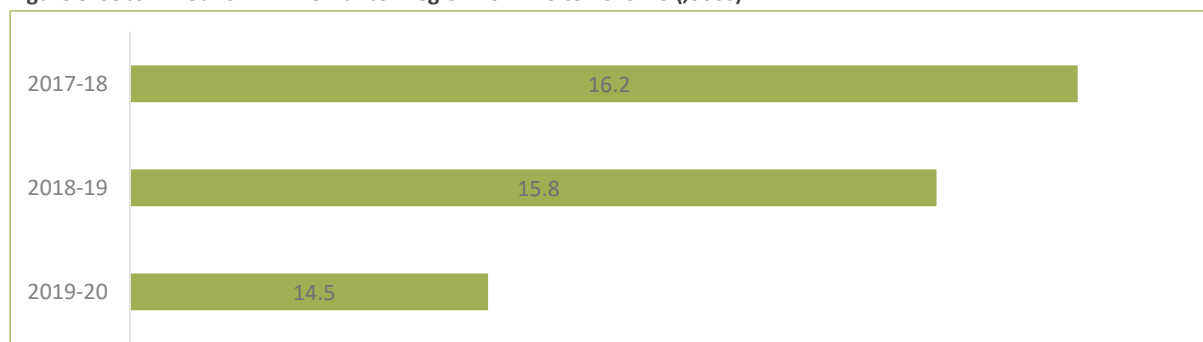
Figure 4: Tourism and visitor businesses



Source: Tourism Research Australia

As the number of employing businesses decreased across the Hunter, there was a corresponding reduction in tourism employment. Over the three financial years to 2019-20, around 1,675 tourism jobs were lost in the Hunter.

Figure 5: Jobs in Tourism in The Hunter Region 2017-18 to 2019-20 (,000s)



Source: Tourism Research Australia

The Revised Design will provide significant employment opportunities for residents and those jobs impacted by COVID-19 mitigation measures by providing 582 jobs on site as outlined in section 5.1 of this study, which is 430 more jobs than the approved masterplan.

2.1.3 Tourism and visitor expenditure

In the year to March 2021, tourists and visitors to the Hunter region spent just over \$2.3 billion dollars. The majority of this (73%) was sourced from domestic overnight visitors. Total expenditure in 2021 was \$625 million lower than that recorded in the year to March 2020 (just under \$3 billion) a direct result of lower visitation numbers due to the COVID-19 mitigation measures. With internal and international borders expected to open post-2021, this is expected to rebound.

Table 4: Tourist and visitor expenditure (YE March)

Visitor segment	2016	2017	2018	2019	2020	2021
International	\$186m	\$191m	\$208m	\$221m	\$183m	\$0m
Domestic overnight	\$1,518m	\$1,413m	\$1,826m	\$1,780m	\$2,009m	\$1,700m
Domestic day	\$688m	\$714m	\$733m	\$857m	\$775m	\$642m
Total	\$2,392m	\$2,318m	\$2,767m	\$2,858m	\$2,967m	\$2,342m

Source: Tourism Research Australia

The international standard tourist accommodation and facilities provided in the Revised Design, would raise the profile and attractiveness of the Hunter region to domestic overnight and international visitors. This would contribute to a locally-led recovery from COVID-19 and increase the resilience of the local economy.

As seen in the table below, on average, international visitors spent the most per person (\$1,087). Domestic overnight visitors were the next highest spend type with an average of \$463 per person. Increased accommodation to attract overnight and international visitors, such as that provided in the Revised Design, would have a comparatively higher expenditure impact.

Table 5: Average spend per visitor (YE March)

Visitor segment	2016	2017	2018	2019	2020	2021	2016-21 avg
International	\$1,185	\$1,091	\$1,025	\$1,073	\$1,083	\$0	\$1,087*
Domestic overnight	\$482	\$430	\$474	\$420	\$479	\$500	\$463
Domestic day	\$109	\$107	\$112	\$108	\$100	\$123	\$109
Total	\$246	\$228	\$261	\$231	\$244	\$272	\$246

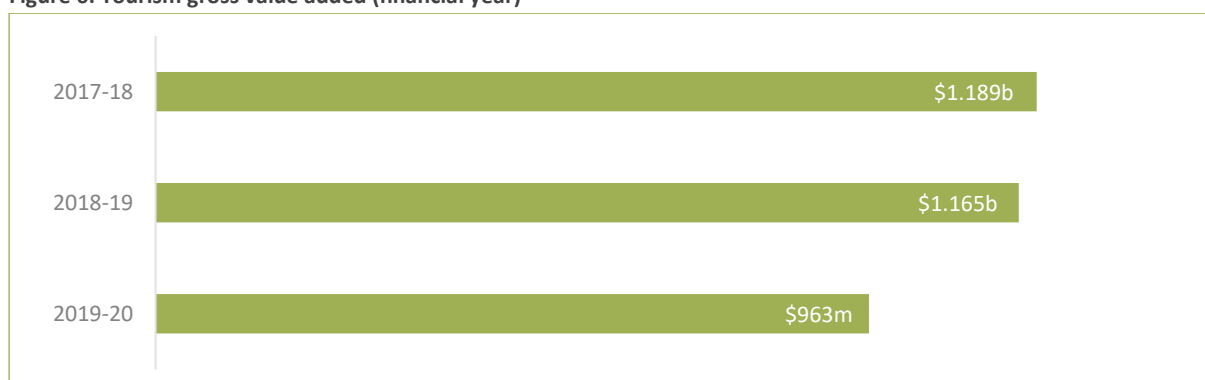
Source: Tourism Research Australia, HillPDA *2016-2020 average

2.1.4 Gross value added from visitors and tourists

Gross value added (GVA) of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the wealth of the country, state or region (gross regional product or GRP).

In the 2019-20 financial year, tourism industries contributed \$963 million to the Hunter's economy, representing 2.3% of the region's total GVA. This was around \$226 million less than that recorded in the 2017-18 financial year (\$1.2 billion GVA).

Figure 6: Tourism gross value added (financial year)

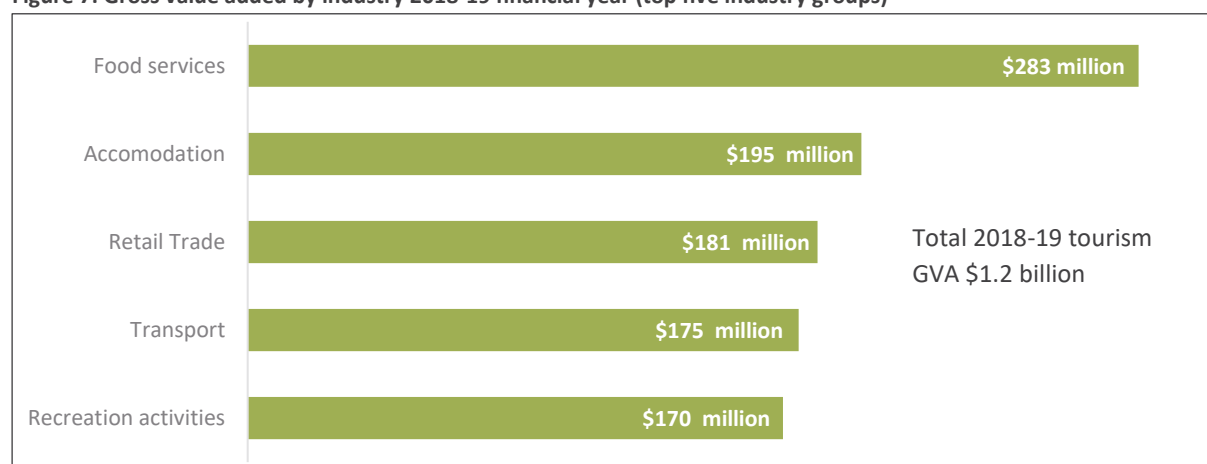


Source: Tourism Research Australia

Analysis of tourism GVA by its various industry components shows that in the 2017-18 financial year food services⁴ contributed the most (\$283 million) followed by accommodation (\$195 million), retail trade (\$181 million), transport (\$175 million) and recreational activities (\$170 million).

Industries that contribute the most to the local economy are the tourism / hospitality industries as shown in the chart immediately below.

Figure 7: Gross value added by industry 2018-19 financial year (top five industry groups)



Source: Tourism Research Australia

The Revised Design, which includes a high-end food and beverage offer, a world class hotel and ancillary services (including conference facilities) as well as international standard arts and recreational services (new wine museum and art gallery and golf course) would capitalise on these high growth industries, and it will contribute to increasing visitation to the region and to GRP.

2.1.5 Summary

The tourism sector is a significant component of the Hunter region and Cessnock LGA economy. The sector has been impacted by mitigation measures implemented to stop the spread of COVID-19. These impacts include a reduction in tourism accommodation, employment, visitor numbers, expenditure, employing businesses and GRP.

The Revised Design would provide a range of tourism-related land uses, including accommodation, retail, recreation and cultural facilities and events. These land uses would directly support a locally-led recovery from the impacts of COVID-19 and would contribute to the continued growth and sustainability of the viticulture industry and wider economy.

2.2 Hunter Region tourism forecasts

The following tourism forecasts have been directly sourced from the *Feasibility Assessment Hunter Valley Golf Course* report undertaken by Golf Business Advisory Services (GBAS) in August of 2021⁵.

⁴ Food services includes cafes, restaurants, takeaway food services, clubs, pubs, taverns and bars

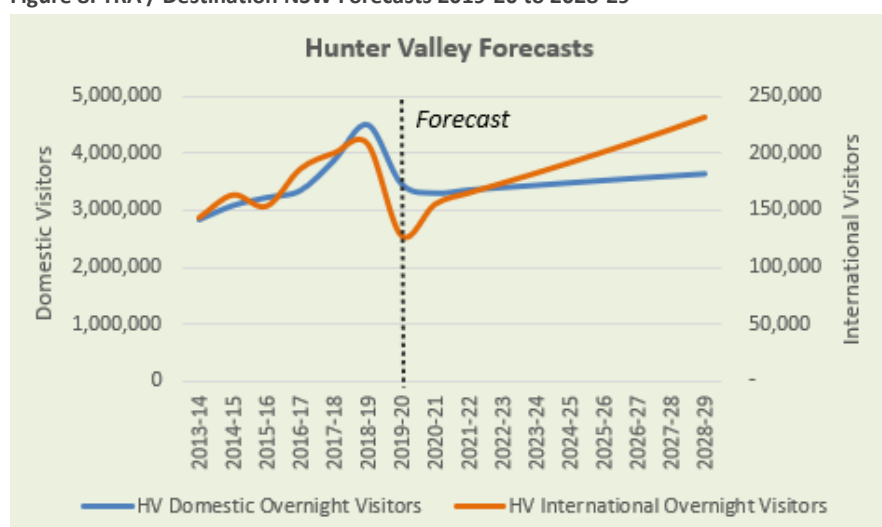
⁵ Please note that GBAS state: All available tourism forecasts for both NSW and the Hunter Valley region were created prior to the current Covid-19 global pandemic which began in March 2020. Whilst there has been significant short-term tourism demand impacts at national, state and local levels, this assessment assumes that the existing forecasts still have directional accuracy, though the timing of achievement may be delayed. No attempt has been made to re-state previously forecasted numbers.

Hunter Valley Tourism Forecasts

Projected growth rates for domestic and international nights in NSW along with current length of stay and share of trends for each market have been applied to generate a forecast for overnight visitor nights and visitor numbers to the Hunter Valley region.

Using this methodology, average annual growth of 1.7% for total visitor nights is projected through to 2028-29, reaching 13 million. Like the national forecast, this growth forecast is also driven by higher international growth numbers (average 6.9% per year) compared to 0.5% per year from the domestic market. Domestic overnight visitors are projected to reach 3.8 million, generating 10 million visitor nights.

Figure 8: TRA / Destination NSW Forecasts 2019-20 to 2028-29



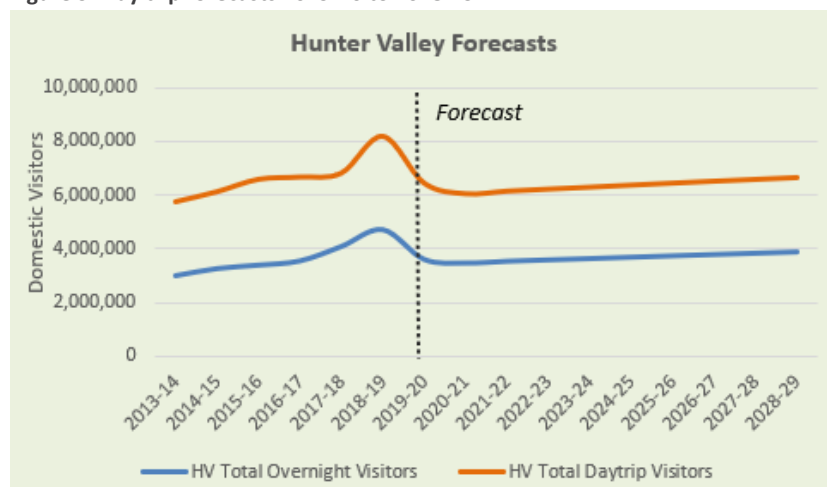
Source: Feasibility Assessment Hunter Valley Golf Course (GBAS 2021)

Day trip forecasts

The day trip market is a key market for the Hunter Valley accounting for nearly two thirds of total domestic demand. In order to generate a forecast for the potential future size of this market, the historical relationship between day and overnight demand has been utilised and applied to forecast overnight visitor numbers for both domestic and international visitors to generate potential day-trip demand.

Based on these assumptions, domestic day trip numbers are projected to grow in line with domestic overnight visitors, being 3% over the period to 2028-29 to reach 6.65 million.

Figure 9: Day trip forecasts 2019-20 to 2028-29



Source: Feasibility Assessment Hunter Valley Golf Course (GBAS 2021)

2.3 Tourism resorts in the locality

Based on the Hunter Valley Wine Country accommodation listings, there are currently 81⁶ short-term accommodation facilities within the Hunter Valley region⁷, including:

- two bed and breakfast facilities
- four guesthouses
- three motels
- 16 resort / hotels
- 55 self-contained facilities
- One caravan park.

Two of these facilities offered rooms at a nightly weekend tariff rate ranging from \$50-100, 16 in the \$101-\$200 range, 43 in the \$201 - \$300 range and 33 at more than \$300 per night⁸. Fourteen (14) of the facilities are rated 4 stars and above, 24 offered at least one restaurant on site, 20 provided a winery or cellar door and 27 provided a function space or conference area. However these facilities would have little competition with the proposed hotel on site due to differing roles, amenities, quality / standard and location. Larger facilities near the subject site that offer similar amenities, in terms of restaurants, conference facilities and golf course include: the Crown Plaza Hunter Valley, Chateau Elan @ The Vintage and the Oaks Cypress Lakes which are described below.

However, it should be noted that these facilities and their ancillary uses are different to the proposed hotel in terms of standard and offer. The proposed hotel intends to offer a significantly superior hotel experience, offering the only five-star accommodation by international standards in the Hunter region. As such the Revised Design will expand the region's offering and reach and will help to build the Hunter region's international reputation for luxury accommodation and experiences.

⁶ HillPDA identified a further 4 facilities in close proximity of the subject site which were included to Hunter Valley Wine Country full accommodation listing as sourced from <https://www.winecountry.com.au/all-accommodation>

⁷ Region for purposes of this exercise includes Pokolbin, Rothbury, Lovedale, Broke, Belford, Cedar Creek, Elderslie, Wollombi, Mount View, Nulkaba

⁸ Tariffs based on two adults for one night at weekend rack rates as sourced from <https://www.winecountry.com.au/all-accommodation>

2.3.1 Crown Plaza Hunter Valley

The Crown Plaza is a premium resort managed by Intercontinental Hotel Group. The resort offers a diverse mix of hotel rooms and villa options (totalling 414 keys), with all but 4 of the villas owned by the hotel. The resort also includes large conference and events facilities (which can accommodate up to 1,676 delegates), multiple on-site restaurants, an outdoor pool, 18-hole champion golf course and on-site spa⁹.

2.3.2 Chateau Elan @ The Vintage

Chateau Elan @ The Vintage is an upscale hotel owned and operated by Sunshine Insurance. The hotel provides approximately 100 suites and villas and includes conference and events facilities (which can accommodate up to 330 delegates), the Legends Bar and Grill, an outdoor pool, on site spa and a Greg Nornam designed 18-hole champion golf course¹⁰.

2.3.3 Oaks Cypress Lakes

The Oaks Cypress Lakes Resort is a four-star resort with room inventory of 138 keys (which are operated and managed by Minor Hotel. The wider site has an approximate potential inventory of 400 villas. The resort offers a range of 1,2 and 3 bedroom suites and villas and includes conference and events facilities (which can accommodate up to 800 delegates), two on site restaurants, an outdoor pool and an a 18-hole championship golf course (ranked among the top resort courses in Australia)¹¹.

2.3.4 Other resorts and hotels

In addition to the three hotels and resorts mentioned above, other high standard hotels and resorts in the Vineyard District include: The Hunter Valley Resort, Mercure Resort Hunter Valley Gardens, Estate Tuscany, Voco Kirkton Park Hunter Valley, Spicers Guesthouse, the Convent Hunter Valley and Elysia Wellness Retreat. Please note however that all of these hotels have a lower star rating than the proposed hotel, which will be the only 5-star international hotel in the Hunter Valley.

In their historical analysis of the above hotels and resorts, Cre8tive identifies increasing demand for upscale hotel facilities in the Hunter region as evidenced by:

- year-on-year growth in occupancy rates from 2015 to 2019 across the Hunter regions more premium hotel facilities (with the annual occupancy rate increasing sharply from 49.4% in 2015 to 62.1% in 2019¹²) and
- most of the upscale hotels in the region achieve rates above \$200 mid-week.

In addition to demand for this type of product, the Revised Design will provide the region with its first five-star accommodation by international standards. This will help to grow and diversify the Hunter region's tourist base and build its international reputation.

2.4 Golf Tourism

In Australia golf currently attracts 878,000 participants annually. Participation has fallen from 5.2% of the adult population in 2016 to 4.2% in 2019. However those playing golf are playing more frequently – 67% are playing at least fortnightly – up from 58% in 2016. 18-hole competition rounds across Australia has slowly and steadily

⁹ Cre8tive Wine Country Resort, Hotel Development & Feasibility Report 2020, centre website and HillPDA research

¹⁰ ibid

¹¹ ibid

¹² Cre8tive Wine Country Resort, Hotel Development & Feasibility Report 2020

increased from 10.0m in 2013 to 10.7m in 2019. There has been strong and steady growth in nine-hole rounds at more than 8% per annum over the same period¹³.

The economic benefits of golf across Australia have been measured at almost \$3.5b per annum. In NSW it was \$1.23b. There are several components to the economic benefits. At a national level the tourism benefits total \$477m in 2017¹⁴.

Golf tourism in NSW has been increasing over the past decade. In 2019 there were 668,000 golf visitors staying 3.2 million visitor nights. Golf visitors had been increasing at a rate of 7% each year from 2014 to 2019¹⁵.

Figure 10: NSW Golf Tourism Forecasts 2019-20 to 2028-29



Source: Golf Business Advisory Services

Golf Business Advisory Services (GBAS) forecast the demand for golf led tourism to NSW to reach approximately 856,000 visitors per year by 2022-23, and 945,000 by 2028-29 if the current market share of total domestic and international golf visitors remain steady. 84% of these golf visitors will be of domestic origin.

Measuring demand is vexed because effective demand is constrained by supply. Latent demand is potential demand that can be realised from an improvement in the quality and quantity of offer. The industry recognises that the quality and quantity of offer is a strong stimulus to demand.

Cypress Lakes marketing director Stuart Ford says owner Peter Neustadt's vision in 1989 had paid off and the development of other championship golf courses was a positive for Cypress Lakes, as well as the Hunter Valley. "There's a hell of a lot of successful people who play golf, and they're the people who've got money," Ford says. "We saw The Vintage as a major threat to us, and initially we lost some of our tourist golf market to them, but we've got stronger numbers than before The Vintage because the market itself has expanded and more people are coming to the Hunter because it is a golf destination now. "The number of people who come and play Cypress, and then The Vintage, is growing."¹⁶

The proposed development will add a third world championship golf course in the Vineyard District of the Hunter Valley. It will be one of few destinations around the world with such a combination further drawing considerable demand from a wider national and international market. The proposal will further stimulate demand for golf and associated services in the local area.

¹³ Golf Australia

¹⁴ Australian Golf Industry Council 2017

¹⁵ Golf Business Advisory Services

¹⁶ Newcastle Herald, Saturday March 12, 2005

3.0 ECONOMIC IMPACTS OF CONSTRUCTION

This section assesses the likely economic impacts during construction. HillPDA was provided with a construction estimate of \$144.2 million (excluding GST) for the hotel, villas, golf course, day spa, food and beverage district components. The Revised Design would also provide 486 residential lots and 140 apartments, we have applied a construction cost of \$500,000 per dwelling and land development costs of \$100,000 per residential dwelling to these components. Overall, total construction costs are estimated at \$520 million. An additional 5.8% for design and application fees was applied increasing the total capital investment value (CIV) to \$550m.

3.1 Economic multipliers

The construction industry is a significant component of the economy, accounting for 5.96% of Gross Domestic Product (GDP) and employing just over one million workers across Australia¹⁷. The industry has strong linkages with other sectors, so the impacts on the economy go further than the direct contribution of construction. This is known as the multiplier effect. Multipliers refer to the level of additional economic activity generated by a source industry¹⁸.

There are two types of effects captured by multipliers:

Production Induced Effects: which is made up of:

- *Direct effects:* which constitutes all outputs and employment required to produce the inputs for construction, and
- *Indirect effects:* which is the induced extra output and employment from all industries to support the increased production of the construction sector.

Consumption Induced Effects: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

3.2 Gross output

The Revised Design will have a direct impact on construction output as well as indirectly stimulating other industries which assist in production or cater to increased consumption.

The table below details the output multipliers and shows the impact of the change in demand generated by the development and the impact on both the national economy and on the Cessnock LGA. These multipliers reflect the size of local industries based on 2016 Census data. The forecast increase in total output at a national level is \$1.73b and total output in the Cessnock LGA is approximately \$825 million, as shown in the table below.

¹⁷ Source: IBIS World Construction Industry Report 2018

¹⁸ The modelling for this report is based on the Australian National Accounts and has adjusted these effects for industry size relative to the Cessnock LGA and calculated the direct, indirect, and induced effects of construction expenditure as well as industry output and employment job creation.

The ABS notes that "Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment." In particular it may leave the impression that resources used for production would not have been utilised elsewhere in the local economy. Nevertheless, the estimates illustrate the high flow-on effects of construction activity.

Table 6: Gross output (\$m)

	Direct effects*	Production induced effect	Consumption induced effect	Total
Output in the national economy	\$550.0m	\$686.3m	\$489.9m	\$1,726.2m
Output in the Cessnock economy	\$523.0m	\$135.3m	\$166.5m	\$824.8m

* Includes design costs assumed at 6% of construction costs

Source: Hill PDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2018-19 (ABS Pub: 5209.0), ABS Census 2016 Data

3.3 Gross value added (GVA)

The Gross Value Added (GVA) of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the regions' wealth or gross regional product (GRP). The main components of GVA are workers' remunerations, profits and government taxes.

Design and Construction would directly contribute around \$157 million to the Cessnock economy. Including the multiplier impacts, a total of \$302 million would be contributed to the local economy (measured in 2020 dollars) based on the Cessnock LGA multipliers in the table below. GVA at the national level (contribution to gross domestic product) is higher at \$715m.

Table 7: Gross value added (\$m)

	Direct effects	Production induced effect	Consumption induced effect	Total
GVA in the national economy	\$171.4m	\$282.5m	\$260.6m	\$714.5m
GVA in the Cessnock economy	\$157.1m	\$52.9m	\$92.4m	\$302.4m

Source: Hill PDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2018-19 (ABS Pub: 5209.0), ABS Census 2016 Data

3.4 Job creation

Every million dollars of CIV generates 2.37 jobs over one year¹⁹ directly in design and construction. Based on the estimated CIV, 1,302 jobs²⁰ would be directly generated by the proposed development of which 1,215 jobs²⁰ would be construction jobs on site in the Cessnock LGA.

Through production induced and consumption induced multiplier impacts a total of 4,979 jobs²⁰ would be supported in the national economy.

Table 8: Construction employment impact

	Direct effects	Production induced effect	Consumption induced effect	Total
National employment multipliers (jobs/\$m output)	2.368	3.520	3.164	9.052
Total Jobs ²⁰ generated in the national economy	1,302	1,936	1,740	4,979
Jobs ²⁰ generated in the Cessnock LGA	1,215	272	374	1,861

Source: Hill PDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2018-19 (ABS Pub: 5209.0), ABS Census 2016 Data

¹⁹ Source: ABS Australian National Accounts: Input – Output Tables 2018-19

²⁰ Note that jobs in design and construction are not full-time jobs given that they jobs are limited in time. Technically this refers to 'job years' where one 'job year' equals one full time job over one year. To calculate average FTE jobs, total job years can be divided by the number of years to construct. For example if the construction period is three years then 1,215 job years can be divided by three to derive an average of 405 construction jobs during the three year period of construction.

The Australian National Accounts, readjusted with local Census data, identified the Cessnock employment multipliers for production support and consumption induced effects of 0.52 and 0.72 respectively for every job year in direct construction. Development is forecast to support a total of 1,861 jobs²⁰ directly and indirectly in the LGA.

4.0 THE BASE CASE

The economic impact of the Revised Design is the difference between the economic performance of the Revised Design and the base case. This section assesses the economic contribution of the subject site under two base case scenarios. The first base case scenario is a “do nothing” option where the economic value of the opportunity cost of agricultural use is assessed. The second base case scenario development in accordance with the approved masterplan.

4.1 Base case scenario 1 – ‘status quo’ or do nothing option

The following assesses the economic value of the subject site if it were used for agricultural uses. HillPDA undertook a social and economic impact study for the site in 2013 which noted:

Previous technical reports have established that the subject site is low grade agricultural land and would not be capable of accommodating viticultural related uses²¹. These reports have found the soil quality to be poor with evidence of degradation from over grazing and over clearing. This has been recognised by Council in previous correspondence with the DP&I as follows:

*“The proposal is considered a positive tourism based use of the land on the edge of the Vineyards District that is **not suitable for viticultural uses**²²”.*

We understand that the highest and best agricultural use of the land in its current zoning would be for pastoral grazing. Potential earnings before interest, taxes, depreciation, and amortisation (EBITDA) from agriculture is likely to be less than \$50,000 per annum (Peak Land Management, 2013). This comprises 15 hectares for viticulture achieving an EBITD of \$6,000 and 232 hectares for cattle grazing achieving an EBITDA of \$30,000 to \$40,000.

Allowing for inflation since 2013²³, it is estimated that the potential EBITDA from agriculture is likely to be around \$57,000 per annum (\$2021). The subject site thus generates little economic value to the local or broader economy in its current form. This is identified as the opportunity cost of the land for the purposes of considering economic related impacts.

Employment has been calculated at around six workers. This has been calculated based on an average of 2.8 hectares per worker for viticulture²⁴ (15 hectares across the site) and 510 hectares per worker for cattle and sheep grazing land (226 hectares)²⁵.

IBIS World reports provide data on the revenue, economic value-add and total wages of different industries in Australia. The table below provides the estimated revenue, GVA and total wages that six workers would generate based on their respective industries.

²¹ Sources: Agricultural Land Suitability Assessment, Peak Land Management, 2004 and April 2013 and Viticultural Assessment, Allynbrook Pty Ltd (2007)

²² Source: Planning Proposal: Amendments to the Cessnock LEP 2011 “Golden Bear”, Cessnock City Council (2012)

²³ change in cost is 12%, over 7 years, at an average annual inflation rate of 1.7% (ABA), HillPDA has factored an additional 1.7% inflation to 2021

²⁴ Sourced from the Marlborough Viticulture Labour Market Survey 2016

²⁵ Land used for grazing sourced from Agricultural commodities –Australia, States and Territories and ASGS regions–2019-20 – Hunter region (excluding Newcastle) and employment sourced from 2016 ABS journey to work data for cattle and sheep farming in the Hunter (excluding Newcastle)

Table 9: Base case 1 – do nothing option, economic performance

Land Use	No. of Workers	Per Worker			Total		
		Revenue	GVA	Salaries	Revenue	GVA	Salaries
Grazing*	0.4	\$252,399	\$91,515	\$13,630	\$0.11m	\$0.04m	\$0.01m
Viticulture	5.4	\$126,439	\$44,137	\$21,182	\$0.68m	\$0.24m	\$0.11m
Total	5.8	\$136,062	\$47,756	\$20,605	\$0.80m	\$0.28m	\$0.11m

Source: IBIS World Reports 2020, *combination of sheep, beef and dairy cattle

4.2 Base case 2 – approved masterplan

The following assesses the economic value of the subject site if it was developed in accordance with the approved masterplan which includes the following components.

- 18-hole golf course and club house
- 300 dwelling houses
- 50 room hotel
- Health spa
- 250 serviced villas/apartments for tourists
- Function centre with conference facility
- Landscaping.

It was estimated that there would be 151 workers on site. The breakdown by land use is provided in the following table.

Table 10: Approved masterplan employment estimate

Land use	Unit	Employment Density	Employment
Hotel (including resort villas, conference rooms, bar and restaurant ¹ and health spa)	300 rooms	1 / 0.4 rooms ²	123 ³
Golf	18 holes		14
Work at home	240 ⁴	1 / 16.7 dwellings ⁵	14
Total			151

Source: HDB Town Planning & Design,

¹ based on a 200 set restaurant;

² Assumes a lower employment density of 1 / 0.4 room to reflect level of service required for a four star hotel / serviced apartments

³ Assumes a further three workers as part of the day spa (i.e. 1 worker / 40sqm for day spa of 100sqm)

⁴ Assumes 300 dwelling with a occupancy rate of 80%

⁵ Work at Home: 7.6% of workers undertake majority of their work at home (ABS Locations of Work 2008 Cat 6275.0) and assuming 0.82 working residents per household translates to 1 job per 16.7 occupied dwellings.

Sourced from IBIS world reports, the table below estimates various economic metrics that 151 workers would generate.

Table 11: Base case scenario 2 – approved masterplan, economic multipliers

Land Use	No. of Workers	Per Worker			Total		
		Gross output	GVA	Salaries	Gross output	GVA	Salaries
Hotel rooms and villas	123	\$110,000	\$57,000	\$46,500	\$13.5m	\$7.0m	\$5.7m
Golf course	14	\$190,000	\$82,000	\$68,000	\$2.7m	\$1.1m	\$1.0m
Work at Home	14	\$90,000	\$84,000	\$70,000	\$1.3m	\$1.2m	\$1.0m
Total	151	\$115,500	\$61,880	\$50,723	\$17.5m	\$9.4m	\$7.7m

Source: IBIS World Reports 2020

4.2.1 Resident population retail expenditure and floorspace generation

The approved masterplan would provide 300 residential lots. This provides additional economic benefits in the LGA through (1) supporting the viability and vibrancy of local retail shops especially those proposed in the nearby town centre (i.e. Huntlee Shopping Centre) and (2) generating employment indirectly.

Assuming an average household size of 2.69 persons²⁶, then the site would have a resident population of 807. Assuming an average retail spend of \$14,700 per capita total annual household expenditure on retail goods and services would be \$11.9 million per annum.

We would expect a large proportion of this expenditure and floorspace demand would be directed towards existing businesses in the Vineyard District.

4.2.2 Tourism expenditure

The approved masterplan would provide a 50-room hotel and 250 tourist villas.

Total number of visitor nights per annum for the Hotel is estimated at around 16,425 assuming 1.5 persons per room and a target occupancy rate of 60%. Total visitor nights for the Villas are estimated at around 91,250 assuming 2 persons per villa and a target occupancy rate of 50%.

Based on an average spend of \$130 per visitor night, total spend is estimated at around \$14.0 million per annum. A further \$7.5 million is estimated to be spent by overnight tourists on retail goods and services²⁷.

²⁶ Hunter Region (Excluding Newcastle) community Profile and Cessnock LGA community Profile 2016 – separate houses

²⁷ International and National Visitor Survey June 2020

5.0 ECONOMIC IMPACTS OF THE REVISED DESIGN

The following section assesses and where possible quantifies the potential economic impacts of the Revised Design measured against the “do nothing” or “approved masterplan” base case options. Economic metrics estimates include employment, wages and gross value added assuming full development and operations.

5.1 Employment generation

It is estimated that development of the Revised Design has the potential to generate 597 jobs. This is an increase of 591 under the do-nothing base case (almost 100 fold increase) and 446 more jobs than the approved masterplan (almost four times more).

The breakdown of these jobs by the proposed land use is provided in the table immediately below.

Table 12: Revised Design employment estimate

Land Use	units	Employment density	No. of workers
Hotel rooms and villas*	300	1 / 0.9 rooms**	345
Food and Beverage	3,700	1 / 25 sqm	148
Wine Museum & restaurant	1,500	1 / 25 sqm	60
Golf Course			14
Work at Home***	501	1 / 16.7 dwellings	30
Total			597

* includes conference facilities, bar and restaurant and day spa of 490sqm @ 40sqm per worker;

** Assumes higher employment density to reflect the superior hotel service

*** Work at Home: 7.6% of workers undertake majority of their work at home (ABS Locations of Work 2008 Cat 6275.0) and assuming 1 working residents per household and 80% occupancy translates to 1 job per 16.7 occupied dwellings.

Source include ABS Retail Survey 1998-99, IBIS World reports and Hill PDA Research;

5.2 Indirect jobs

The tourism industry has strong linkages with other sectors, so the impacts on the economy go further than the direct contribution of providing jobs on site. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of effects captured by multipliers:

- Production induced effects: which is the outputs and employment required to produce the inputs for construction, and
- Consumption induced effects: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners arising from employment.

The modelling for this report is based on the Australian National Accounts Input Output tables 2018-19. The results are shown in the table immediately below.

Table 13: Direct and indirect jobs creation

Land Use	Direct Jobs	Production Induced Jobs	Consumption	Total
Hotel rooms and villas	345	207	241	793
Food and Beverage	148	45	62	255
Wine Museum & restaurant	60	18	25	103
Golf Course	14	11	11	35
Work at Home	30	10	23	63
Total	597	292	361	1,250

* Source: ABS Input Output tables 2018-19 and HillPDA

As shown in the table above the 597 jobs on site will generate a further 292 jobs supplying the inputs to production (production induced impacts). From the wages workers on site will demand additional goods and services that will generate a further 361 jobs (consumption induced impacts). Total job creation amounts to 1,250.²⁸ This is 900 more jobs than the approved masterplan base case – a three and half fold increase.

5.3 Gross Output

Gross economic output is estimated at \$67m every year as shown in the table immediately below. This is \$50m more than the approved masterplan base case – a 3.86 fold increase.

Table 14: Revised Design Gross output

Land Use	No. of Jobs	Gross output/worker	Total
Hotel	345	\$110,000	\$38.0m
Food and Beverage	148	\$102,000	\$15.1m
Wine Museum & restaurant	60	\$150,000	\$9.0m
Golf Course	14	\$190,000	\$2.7m
Work at Home	30	\$90,000	\$2.7m
Total	597	\$112,900	\$67.4m

* Source: ABS and IBIS World Reports

5.4 Gross Value Added.

Based on IBIS world reports it is estimated that the Revised Design would generate \$33.0 million in GVA and \$26.2 million in workers' remuneration.

Compared to the base cases:

- The GVA generated by the Revised Design is an increase of \$32.7 million under the do-nothing base case (117 fold increase) and \$23.6 million greater than the approved masterplan base case (a three and a half fold increase).
- The remuneration generated by the Revised Design is an increase of \$26.1 million under the do-nothing base case and \$18.5 million greater than the approved masterplan base case (almost three fold increase).

The breakdown of these metrics by the proposed land uses is provided in the table below.

²⁸ It is important to recognise and understand the limitations with multiplier impacts. Refer to the ABS website for a full discussion: <https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-input-output-tables/latest-release>

Table 15: Revised Design economic performance indicators

Land Use	No. of Workers	Per Worker		Total	
		GVA	Salaries	GVA	Salaries
Hotel rooms and villas	345	\$57,000	\$46,500	\$19.7m	\$16.1m
Food and Beverage	148	\$37,000	\$29,500	\$5.5m	\$4.4m
Wine Museum & restaurant	60	\$69,500	\$45,750	\$4.2m	\$2.7m
Golf Course	14	\$82,000	\$68,000	\$1.1m	\$1.0m
Work at Home	30	\$84,000	\$70,000	\$2.5m	\$2.1m
Total	597	\$55,244	\$43,899	\$33.0m	\$26.2m

Source: IBIS world reports, HillPDA

The Revised Design will also generate additional GVA and salaries through indirect jobs and multipliers. Taking into account national multipliers total salaries from direct and indirect job generations increases to \$68 million, whilst GVA increases to \$100 million per annum.

Table 16: Revised Design impact on gross value added (\$m)

Land Use	Total (\$m)	Production Induced impacts	Consumption induced impacts	Total
Hotel rooms and villas	\$19.7m	\$17.2m	\$22.2m	\$59.0m
Food and Beverage	\$5.5m	\$4.6m	\$6.9m	\$17.0m
Wine Museum & restaurant	\$4.2m	\$3.5m	\$5.2m	\$12.9m
Golf Course	\$1.1m	\$1.5m	\$1.9m	\$4.5m
Work at Home	\$2.5m	\$1.2m	\$2.9m	\$6.6m
Total	\$33.0m	\$28.0m	\$39.0m	\$100.0m

The Revised Design will directly and indirectly generate \$100m every year to the national economy or gross domestic product every year. This is \$71m more than the approved masterplan base case – almost three and a half fold increase.

5.5 Resident expenditure on retail goods and services

The Revised Design would provide 486 residential lots and 140 apartments. The additional residents in the locality from these dwellings would generate activity such as an increase in expenditure on retail goods and services. This provides additional economic benefits in the LGA through (1) supporting the viability and vibrancy of local retail shops and other commercial businesses and (2) generating employment indirectly.

Assuming an average dwelling size of 2.69 persons for the residential lots and 1.5 persons for apartments²⁹, it is estimated that a population of around 1,517 could be supported on-site. Assuming an average retail expenditure of \$14,700 per capita for residents, it is estimated that total annual household expenditure would be \$22.3 million.

This is \$10.4m more expenditure than the approved masterplan (i.e. 87% increase) which is additional expenditure towards existing businesses in Cessnock and other centres in the locality.

²⁹ Hunter Region (Excluding Newcastle) community Profile and Cessnock LGA community Profile 2016 – separate houses

5.6 Tourism expenditure

The Revised Design would provide a 140-room hotel and 160 tourist villas. Total number of visitor nights per annum for the Hotel is estimated at around 53,655 assuming 1.5 persons per room and a target occupancy rate of 70%. Total visitor nights for the Villas are estimated at around 70,080 assuming 2 persons per villa and a target occupancy rate of 60%.

Based on an average spend of \$350 per visitor night, total spend by overnight tourists is forecast at around \$43 million per annum, which equates to \$21.5 million more expenditure than the approved masterplan (i.e. 100% increase). Of the \$43 million, around \$12 million is forecast to be expenditure on retail goods and services including food services which will further support the viability and vibrancy of local businesses³⁰.

5.7 Other economic benefits

5.7.1 Investment stimulus

Where a significant property investment decision has been made, it is generally viewed as a strong positive commitment for the local area. Such an investment can, in turn, stimulate and attract further investment. Development of the Revised Design would support a wide range of economic multipliers which would, in turn, support investment in associated industries. It would also raise the profile of the Hunter region to potential investors.

The Revised Design would create additional business opportunities in this locality associated with future residents and employment floorspace on site. The international standard accommodation would increase the international reputation of the region for luxury accommodation and hospitality and in turn improve the overall profile of the Hunter region. The development will also increase the financial feasibility of mixed-use developments, potentially acting as a catalyst on surrounding sites.

5.7.2 Jobs closer to home

The Revised Design would provide additional employment opportunities for residents living both within the Cessnock LGA and the wider Hunter region (including the new Huntlee estate which will include 7,500 lots when completed).

There are many benefits associated with providing jobs closer to home, most notably a reduced need to travel and the knock-on benefits associated with this in terms of reduced pressure on infrastructure.

A reduction in the number and length of journeys made, in particular, those made in private vehicles, has environmental benefits. There are also lifestyle benefits related to increased free time, reduced travel-related stress and a reduced likelihood of road related accidents.

Providing jobs closer to home is echoed in the 30-minute city objectives of the State planning policies. As such the Revised Design would be helping to achieve this planning objective.

In addition to the above, the additional jobs created in the tourism sector as a result of the development of this Revised Design will help to boost the viticulture industry and enhance the viability of the Vineyard District.

5.7.3 Other Considerations

The Revised Design would be expected to provide other benefits at the community level, including the following:

- Contribute to dwelling and employment and targets
- Contribute to increased dwelling affordability through additional supply

³⁰ International and National Visitor Survey June 2020

- Raising the international profile of the Hunter Region as a tourist destination
- Contribute to a locally led recovery from the impacts of COVID-19
- Provide employment opportunities for the tourism sector which have been impacted by COVID-19
- Enhanced service facilities for local residents and visitors
- Provision of greater employment self-sufficiency in the Cessnock and the region
- More workers and residents in the locality will generate expenditure on retail goods and services to the benefit of existing businesses in the locality.

5.8 Summary and implication

This section has assessed the economic merits of the Revised Design. From this assessment, it is concluded that the Revised Design is strongly supported from an economic impact perspective.

The below table summarises the economic benefits of the Revised Design when compared to that generated under each of the base case scenarios.

Table 17: Economic impact of the Revised Design

Performance indicator	Scenario			Revised Design change from	
	Do nothing	Masterplan	Revised Design	Do nothing base case	Approved Masterplan base case
Direct jobs on site (in operations)	6	151	597	591	446
Direct and indirect jobs (in operations)	14	316	1,250	1,236	934
Gross Value Added per annum	\$0.3m	\$9m	\$33m	\$33m	\$24m
Direct and indirect GVA per annum	\$1.1m	\$29m	\$100m	\$99m	\$71m
No. of residents	0	807	1,517	1,517	710
Residents spend on retail goods & services /ann	\$0m	\$12m	\$22m	\$22m	\$10m
Tourism spend on accommodation /ann	\$0m	\$14m	\$31m	\$31m	\$17m
Tourism spend on retail goods and service /ann	\$0m	\$7.5m	\$12m	\$12m	\$4.5m

* Expenditure on retail goods and services excluding accommodation, entertainment and travel costs

Source: HillPDA,

6.0 THE BENEFITS OF ADDITIONAL HOUSING

6.1 Added Value from Residential Development

Successful golf courses frequently incorporate a residential component as part of the resort development. Examples of this approach include:

- Stonecutters Ridge in Marsden Park;
- Pacific Dunes, Port Stephens;
- Kooindah Waters, Wyong; and
- The Vintage, Pokolbin

This is a tried and tested development model. By some accounts some 75% of all new golf courses developed over the past thirteen years in Australia have been developed with a component of residential development³¹.

Golf courses have a high capital cost and require almost three years to construct. The proposed golf course will be PGA standard with an estimated construction cost of \$23.4m – \$25m design and construction. While EBITDA of golf courses may be positive, they are rarely sufficient to meet the amortisation costs on capital. As a result the subject golf course, or any golf course, is rarely a viable development on its own.

However golf courses can add considerable value to residential – particularly in integrated estates such as the ones mentioned above. The golf course adds value to the residential which then assists in funding the capital cost of the golf course. These are symbiotic land uses.

The approved scheme had a high proportion of residential lots fronting (or backing) the golf course. The new scheme has significantly reduced the proportion of residential lots with golf course frontages. While this reduces the average price of the residential lots we understand that it was a deliberate intention to improve the golf experience. This has been a more recent trend with new courses. The aim is to give golfers the experience of playing golf in wide areas of open spaces and natural landscapes rather than playing golf in an urban, suburban or residential area. This is increasingly important for PGA standard courses. Increasing the number of residential lots in part compensates for the lower average sale price which has come as the result of creating an enhanced premium quality golfing experience.

The Revised Design which includes a new 5-star international hotel – the only one of its kind in the Hunter Valley, golf course, wine museum, providore, restaurant, function space and art gallery will become a major cultural attraction in the Hunter region. These features will in turn improve the international reputation of the Vineyard District as a tourist destination and the profile of the region to potential investors, with added flow on benefits for the local community and local businesses. The residential component as part of the Revised Design will help to financially de-risk the project and ensure successful delivery of the enhanced integrated tourism development, which as previously established will become a significant economic contributor to the local economy and community.

In addition to the above, some of the residential dwellings as part of the Revised Design are expected to be purchased by small investors as holiday homes and available for short-term accommodation through Airbnb and Stayz (as witnessed in the Vintage). Along with improving and de-risk the feasibility of the total development and ensuring its success and viability, the residential component will also make a positive contribution towards tourism accommodation supply.

³¹ Source: Living on the fairway: The Australian (2010)

6.2 Housing Supply and affordability

The residential development would provide exclusive dwelling stock targeted at the high-end luxury market with the facilities and resort acting as a catalyst for generating demand. Without this resort there would be little demand for the residential component. On this basis it would satisfy a market which does not currently exist in the Hunter Valley or at least is limited in scale to areas like the Vintage.

While the residential prices are likely to reflect the higher end of the market, increasing housing supply to meet growth in demand puts a check on price escalation of existing stock.

The Revised Design also includes 140 apartments at a more affordable price that will contribute to housing choice and affordability.

6.3 Contribution towards meeting planning targets and policies

As stated the LSPS and the Housing Strategy forecast Cessnock to house a further 10,900 – 20,900 residents to 2036. This will mean a need to deliver between 6,350 and 11,000 new dwellings (refer to Section 7).

The Housing Strategy also states that *housing diversity makes an important contribution to housing affordability. Different housing products provide different price points and also allows households to move between different housing products throughout their lives. Cessnock's housing stock is not diverse. In 2016, 89.3% of dwellings were detached and 72.5% were 3 or more bedrooms.* For this reason, promoting housing diversity through the provision of a variety of housing products at varying price points is identified as a key direction in the Housing Strategy.

On this basis the Revised Design responds to the need for additional dwellings and housing diversity as identified in both LSPS and the Housing Strategy through providing a variety of different housing types (e.g. detached, villa and apartment style dwellings) and lot sizes (ranging from small to large). Along with helping to accommodate the future projected growth, the increased supply and diversity of housing stock, under the Revised Design, would also contribute to affordability in the LGA – which is another key outcome and action of the Housing Strategy.

6.4 Benefits to local businesses

The Revised Design would provide 486 residential lots and 140 apartments, the additional residents in the locality from these dwellings would generate activity such as an increase in retail expenditure. This provides additional economic benefits in the LGA through supporting the viability and vibrancy of local retail shops especially those proposed in the nearby town centre and generating employment indirectly.

Assuming an average dwelling size of 2.69 persons for the residential lots and 1.5 persons for apartments³², it is estimated that a population of around 1,517 could be supported on-site. Assuming an average retail expenditure of \$14,700 per capita for residents in the Cessnock LGA in 2028 (assumed completion date), it is estimated that total annual household expenditure would be \$22.3 million.

This is \$10.4m above the approved masterplan which is additional expenditure towards existing businesses in Cessnock and other centres in the locality.

³² Hunter Region (Excluding Newcastle) community Profile and Cessnock LGA community Profile 2016 – sperate houses

7.0 CONTEXTUAL REVIEW

This section analyses State and local planning strategies, it further identifies areas where the Revised Design assists in achieving the intent of these strategies from an economic, housing and tourism perspective.

7.1 The NSW Environmental Planning and Assessment Act 1979

The EPA Act has 10 objects listed under Clause 1.3. Object (C) states *“to promote the orderly and economic use and development of land”*. The proposal will strongly contribute to meeting this objective by delivering considerably more jobs and economic value added by comparison to the current use of the land and the approved scheme.

7.2 Hunter Regional Plan 2036

The Hunter Regional Plan 2036 is a 20-year blueprint for the future of the Hunter which includes the closely connected urban areas of the Mid-Coast, Dugong, Upper Hunter Shire, Singleton, Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens LGAs.

The Plan seeks to achieve the following overarching outcomes for the Hunter region:

- A leading regional economy in Australia
- A biodiversity-rich natural environment
- Thriving communities
- Greater housing choice and jobs.

Over the 20 years to 2036, the Regional Plan estimates that the Hunter will grow by around an additional 130,000 persons, 62,000 jobs and 70,000 dwellings. The subject site is located within Cessnock LGA, the Regional Plan forecasts the LGA will grow by an additional 13,150 persons, 6,350 dwellings and 6,592 jobs over the 20-year period.

The Revised Design would directly contribute to Cessnock meeting these forecasts while also aligning with the following directions in the Regional Plan. It will also provide 140 apartments that will diversify housing type and provide a range of more affordability housing.

Direction 9: Grow tourism in the region | The Regional Plan states that there is a huge potential for the Hunter to increase the number of nights visitors spend in the region. Increase the appeal of the Hunter Valley’s vineyards and cellar doors would support a range of complementary tourism activities. While also the region could capitalise on the growth in food-based or gastronomic tourism throughout the Manning Valley and Hunter Valley to support growers of products such as olives and oysters, as well as the beef and dairy industries. There is potential to align growth of the International Centre of Excellence for Thoroughbreds in the Upper Hunter with growth in food-based and wine tourism.

The Revised Design would raise the profile of the Hunter to domestic and international tourists and visitors, through delivering international standard hospitality, including: high quality accommodation, conference centre facilities, a new art gallery, a new food and beverage precinct, a golf course and a new wine museum (also the only one of this kind in the State). The potential uplift in visitors, in turn, would support a wide range of businesses in the wider Hunter. As such, the Revised Design would underpin future growth of domestic and international tourism in the region.

In addition to the above land uses, the residential component of the Revised Design can also contribute to promoting tourism in the region. Residential stock in tourist areas with access to hotel amenities, such as the Revised Design, lends itself to being used for tourist accommodation (via Airbnb and Stayz) thereby extending

the supply and type of accommodation available to tourists. As such the residential component has the potential to further expand the accommodation offering in the Hunter region.

Direction 22: Promote housing diversity | The Regional Plan acknowledges that over the coming decades changing demographics and specific market sectors, such as seasonal visitors, will require the Hunter to increase the amount and diversity of its housing stock. The Revised Design would provide 140 residential apartments and 486 residential lots, thereby increasing the amount of housing and diversifying the type of accommodation within the Hunter and the Vineyard District. As such, the Revised Design strongly supports this direction.

7.3 Hunter Valley Visitor Economy Destination Management Plan

The Hunter Valley Visitor Economy Destination Management Plan outlines the strategic priorities and plan for increasing tourism in the region. Of relevance to this study is Strategic Priority Four, namely to “Develop the Hunter Valley’s destination products and experiences”. Priority Four states:

*Improve and increase the range and quality of Hunter Valley attractions, events, facilities, services and experiences to increase visitor demand. **Priority development focus should be within themed experiences of; Food and Wine** (particularly providing, etc); **Arts and Culture**; Nature (soft adventure e.g. walking, bikes, fishing); **Golf and other sports**; Heritage (convict trail and industrial history) and Indigenous.*

This development includes a program of leisure events and festivals which incorporate; seasonally themed, special interest, community, regional and major events to grow balanced year round visitation. (e.g. develop a State and regional hallmark Food and Wine event centred on the Hunter Valley).

This increased range of leisure experiences beyond just food and wine will have the added value of attracting locals to these experiences and help reduce ‘escape spending’ outside the destination.

The Revised Design provides a number of land uses specifically identified in the Management Plan which would directly contribute to improving and increasing the range and quality of Hunter Valley attractions, events, facilities, services and experiences. This would raise the profile of the Hunter to tourists and visitors and provide direct economic returns of \$33m every year to the economy and a further \$67m indirectly.

7.4 Cessnock Strategic Planning Statement 2036

The Cessnock Strategic Planning Statement 2036 (LSPS) is the local strategic land-use document that sets out how Council will manage land use across Cessnock. The LSPS estimates that by 2036 Cessnock will be home to between 10,900 – 20,900 additional residents and need 6,350 – 11,000 new dwellings and 5,370 jobs³³.

The LSPS notes that 73% of the 1,685-hectare Hunter Valley vineyard district is in the Cessnock LGA. *To support the wine industry Cessnock contains a diverse range of tourism development which supports the wine industry, including cellar doors, accommodation, restaurants and a variety of cultural and recreation facilities and events.*

The wine and tourism industries in Cessnock are significantly co-dependent. Tourist and other non-agricultural development are an important component of the Vineyards District and help sustain the economic viability of viticulture.

The LSPS outlines a number of planning priorities that reflect future land use directions that are based on the themes: liveable, productive, sustainable and unique. The planning priorities which the Revised Design supports are:

- Planning Priority 9: Our wine tourism industry is supported and enhanced
- Planning Priority 10: Our City encourages a variety of niche tourism opportunities.
- Planning Priority 26: Nature-based and recreational tourism is facilitated and promoted.

³³ Population increase measured from 2019, dwellings and employment measured from 2016

- Planning Priority 27: Our region is internationally acclaimed for its events, festivals and hosting functions.

The delivery of the Revised Design would provide a range of tourism-related land uses, including international standard accommodation, retail, recreation and cultural facilities and events. These land uses would support the growth of the Vineyard District's viticulture and tourism sectors which are key contributors to the local economy and its continued growth and sustainability. The Revised Design will also build the region's international reputation for luxury accommodation and experiences, thereby growing and diversifying the tourist base.

7.5 Cessnock Housing Strategy

The Cessnock Housing Strategy considers the unique housing needs and aspirations of Cessnock community now and into the future. In accordance with the LSPS, the Housing Strategy estimates that over the 20 years to 2036 Cessnock will be home to between 10,900 – 20,900 additional residents and need 6,350 – 11,000 new dwellings and 5,370 jobs. In the four years since the 2016 Census Cessnock has completed around 1,800 new dwellings – rate of around 450 each year³⁴. The LGA is on track to meet its housing target but it needs to maintain a rate of 400 to 600 new dwellings each year to 2036 to keep up with demand.

The Housing Strategy states that *housing diversity makes an important contribution to housing affordability. Different housing products provide different price points and also allows households to move between different housing products throughout their lives. Cessnock's housing stock is not diverse. In 2016, 89.3% of dwellings were detached and 72.5% were 3 or more bedrooms.*

For this reason, a key direction of the Housing Strategy will promote housing diversity to provide a variety of housing products and price points.

The Revised Design would increase the number of dwellings in the Cessnock LGA, contributing to meeting the projected growth and needs under the Housing Strategy, while also increasing the diversity of housing through the provision of different housing products (i.e. 140 residential apartments and 486 residential lots of varying size). Increased supply and diversity would also contribute to affordability in the LGA, which are also key actions and outcomes of the Housing Strategy.

7.6 Cessnock Economic Strategy

The Cessnock LGA Economic Development Strategy provides the direction and framework to encourage and facilitate economic development. The Economic Strategy notes that the *economic base of Cessnock LGA is dominated by mining, manufacturing (including **wine production**), tourism and hospitality. Other sectors include retail, construction, agriculture and forestry, as well as a range of professional, business and support services.*

The Economic Strategy provides several strategic directions /opportunities and actions to encourage economic growth and sustainability in the LGA, with the Revised Design supporting and helping to achieve the following directions and actions:

- Promote quality local produce as part of the tourism experience in the Hunter – diversifying and strengthening 'food and wine' tourism.
- Recognise, enhance and strengthen the interrelationship between the wine industry and tourism with quality wine experiences being a core asset and an integral part of the brand values of the LGA.
- Encourage diversification into activities that are complementary to the wine and tourism sectors that will contribute to the on-going sustainability of both sectors.

³⁴ ABS dwelling completions by SA2

- Ensure that the product and infrastructure development needed to grow and diversify the tourism base of the LGA is included in both the Hunter Valley Wine Country (HVWC) and Hunter Region Destination Management Plans.
- Position Cessnock LGA as a focal point for quality, boutique food production and manufacturing, with this being a strong point of difference to other manufacturing locations within the surrounding regions. The branding and positioning needs to reinforce the lifestyle and tourism branding values of HVWC.
- Recognise the significance of the relationship between the wine and tourism sectors.
- Encourage diversification into activities that complement both the wine and tourism sectors.

7.7 Summary and implication

The Revised Design will provide an enhanced integrated tourism development that offers a far superior hotel and golfing experience. This will help to transform the Hunter region into an international destination, increasing its appeal to both domestic and international tourists alike. As such the Revised Design supports the strategic vision for the Hunter region and broader Cessnock LGA – that is, providing an international standard of hospitality in the Hunter region. This will increase the tourism sector and benefit the local economy (a planning priority of the LSPS). The residential component of the Revised Design also responds to the need for additional dwellings and housing diversity as identified in regional and local planning policies by providing a variety of different housing types (e.g. detached, villa and apartment style dwellings) and lot sizes (ranging from small to large sized lots). Along with helping to accommodate the future projected growth, the increased supply and diversity of housing stock under the Revised Design, would also contribute to affordability in the LGA, which is another key outcome and action of the Housing Strategy. On this basis, the Revised Design is considered to align with the regional and local policies applicable to the Hunter region.

Disclaimer

6. This report is for the confidential use only of the party to whom it is addressed ("Client") for the specific purposes to which it refers and has been based on, and takes into account, the Client's specific instructions. It is not intended to be relied on by any third party who, subject to paragraph 3, must make their own enquiries in relation to the issues with which this report deals.
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9. This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by HillPDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. HillPDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, HillPDA does not present them as results that will actually be achieved. HillPDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.
10. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.
11. This report does not constitute a valuation of any property or interest in property. In preparing this report HillPDA has relied upon information concerning the subject property and/or proposed development provided by the Client and HillPDA has not independently verified this information except where noted in this report.
12. In relation to any valuation which is undertaken for a Managed Investment Scheme (as defined by the Managed Investments Act 1998) or for any lender that is subject to the provisions of the Managed Investments Act, the following clause applies:

This valuation is prepared on the assumption that the lender or addressee as referred to in this valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.
13. HillPDA makes no representations or warranties of any kind, about the accuracy, reliability, completeness, suitability or fitness in relation to maps generated by HillPDA or contained within this report.

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APPENDIX B

DEVELOPMENT REQUIREMENTS LETTER BY HWC



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ABN 46 228 513 446

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HRMC NSW 2310
36 Honeysuckle Drive
NEWCASTLE NSW 2300
1300 657 657 (T)
enquiries@hunterwater.com.au
hunterwater.com.au

18 July 2022

CAPITAL HUNTER PTY LIMITED
C/- HDB Town Planning & Design
UNIT 1 44 CHURCH STREET
MAITLAND NSW 2320

Requirements for your Development Application

Application service:	Revision to previous Development Assessment (Section 50)
Property address:	1184 WINE COUNTRY DR, LOVEDALE NSW 2325
Lot & Plan number:	Lot 2 DP 869651, Lot 3 DP 869651, Lot 4 DP 869651, Lot 11 DP 1187663
Development description:	Staged Development – Concept masterplan incorporating an Integrated Tourist Development to be constructed in Seven (7) Stages comprising an 18 Hole Golf Course, 50 Room Hotel, 140 Serviced Apartments, 500 Dwellings, Ancillary Function Centre, Aboriginal Heritage Centre, Retail & Food Outlet and Spa & Recreation Facilities.
Hunter Water reference:	2022-509

We have assessed your application for the above development and include the following requirements. All requirements will need to be met before a Compliance Certificate will be issued.

Financial Requirements

Reimbursement may be required

You may need to pay a reimbursement to the developer who constructed the water and/or sewer mains that will service your development. Reimbursement calculations will be confirmed once your connection location has been determined.

Network Infrastructure

Hunter Water's servicing advice is based on our preliminary assessment of the development water and sewer loading using conventional servicing methods. In this instance our estimate of the water loading for the residential development is 670 ET and sewer 645 ET, excluding the outside potable water use for irrigation of the golf course.

Servicing Strategy is required

Engage an Accredited Design Consultant to provide the following servicing strategies for your development. Your consultant should contact Hunter Water to arrange an inception meeting prior to preparation of the strategies. The strategies need to be submitted to Hunter Water for review and approval. This assessment incurs a fee payable on submission.

Water Supply

The development site is located on the periphery of Hunter Water's water supply network and the nearest connection point is off the 250mm water main on Wine Country Drive, which is supplied by Pokolbin 1A Water Pump Station (refer to Figure 1). A water main extension of approximately 700m would be required to provide a frontage to the site.

The development Concept Masterplan proposes various water servicing arrangements. To determine the optimal servicing arrangement, a developer funded a water servicing strategy is required.

Due to the increased demand placed on the network by the proposed development, and the single feed from Cessnock, water network capacity and security of supply constraints will need to be assessed in the strategy. The size of the connecting main along Wine Country Drive would also need to be determined in the strategy.

As a minimum the strategy should include an assessment of:

- Surrounding potential developments.
- Water network augmentations.
- Lot and development layout.
- Staging of development.
- Investigation of alternative water supply options.
- Identification of least community cost option.
- Security of supply.
- Minimum pressure requirement.
- Firefighting flow requirements.

Wastewater Transportation

The proposed development is located in the Cessnock Waste Water Treatment Works catchment. The nearest sewer point of connection is Rothbury 3 Wastewater Pump Station (WWPS), which is located on the opposite side of Wine Country Drive to the proposed development. Rothbury 2 WWPS the next closet pump station is located approximately 850m further south (refer to Figure 2).

The Rothbury WWPS system was sized to service the neighboring Vintage Golf Course site. Limited capacity may be available in either of these pump stations for some preliminary connections. A developer funded local wastewater servicing strategy is required to confirm available network capacity and the optimal servicing arrangement for the development.

As a minimum the strategy should include an assessment of:

- Overall loads for the area.
- Surrounding potential developments.
- Connection points to the existing system.
- Staging of development.
- Investigation of alternative options.

- Identification of least community cost option.
- Pump station(s) duty and emergency storage.
- Wastewater network augmentations.

Recycled Water

The Developer has expressed interest in providing the proposed development with a recycled water supply. This could potentially be via sewer mining from the local network, or via a recycled water supply from either Cessnock or Branxton Wastewater Treatment Works (WWTW).

To determine the optimal servicing arrangement, a developer funded recycled water servicing strategy is required.

Branxton WWTW currently supplies the Vintage Golf Course with recycled water. However, there are existing constraints around the supply of recycled water from Branxton, which may limit the available supply of recycled water for your development. This could be investigated in more detail as part of the strategy for the development.

Cessnock WWTW has sufficient capacity to provide the proposed development with recycled water, however the WWTW does not produce recycled water of sufficient quality to allow its use in areas requiring public access. Irrigation areas using this supply would need to be fenced off to prevent public access, or have sufficient controls in place to allow its safe use, again this could be investigated in the strategy.

Sewer mining has not previously been used at Hunter Water, but consideration for such a scheme could be made, subject to further investigations. The strategy will need to determine the viability of sewer mining and impacts on the operation of the wastewater network.

Depending on the final options selected, it may be necessary to enter a separate commercial agreement with Hunter Water detailing the governance, administration, pricing and obligations of the parties to supply a different grade of water to the development. Tariff charges for end customers will be in accordance with the IPART price determination.

These options should be assessed concurrently with the water and sewer strategy options as the outcomes of one of the strategies may impact on the other.

Works Requirements

Major Works Required

You will need to complete developer works under a Developer Works Deed.

Water and sewer assets will need to be delivered in accordance with the approved strategies.

The Major Works Deed Number for these works will be: **2020-1654/3/1**

The Complex Works Deed Number for these works will be: **2020-1654/4/1**

Please email your completed deed to developer.deed@hunterwater.com.au.

For guidance in completing the Deed please refer to the Hunter Water website.

You will need to engage an [Accredited Design Consultant](#) to arrange for the design and inspection of works. The works must be carried out by an [Accredited Construction Contractor](#).

Any Complex Works will need to be submitted to Hunter Water for review. Design Review and Inspection fees are payable for Complex Works.

REF may be required

Depending on the works required, prior to submitting a final design, you may need to provide a Review of Environmental Factors (REF) to identify your development's impacts on the environment. Please contact us to discuss this requirement. This assessment incurs a fee payable on submission. More information can be found on our [website](#).

Permit to Enter

You may need to access a neighbouring property for the works. If so, please provide a signed [Entry Permit](#) with the design submission package.

Community Title

The Concept Masterplan indicates the site will be developed as a Community Title subdivision. Hunter Water offers two servicing options for Community Title subdivisions either:

- Individual connections to each lot within the scheme; or
- Single points of connection to the scheme.

Based on the Masterplan, single points of connection appear to be your preferred servicing arrangement. Please contact Hunter Water if you require advice on the alternative servicing option.

Under this arrangement, you will need to provide points of connection to Hunter Water's networks to the lot owned by the Community Association. This option requires the Community Association to become the single customer of Hunter Water. The Association, as the owner of the internal water and sewer services, is responsible for the supply of water and sewer services to each of the individually owned lots.

Hunter Water requires a solicitor's undertaking that the following statement will be contained in the Management Statement and that a copy of the Management Statement will be forwarded to Hunter Water following its registration:

Water, recycled water and sewer services are supplied by Hunter Water Corporation to the boundary of the lot owned by the Community Association. The Community Association is responsible for the provision and maintenance of the internal water and sewer services and the payment of Hunter Water Corporation accounts".

Please note, properties that are within Community Title schemes that have one connection to Hunter Water's network may be eligible for individual metering subject to terms and conditions.

Individual metering allows each property within the Community Title scheme to be billed separately for the water usage based on the consumption of each lot's individual meter.

To be eligible for individual metering the Community Title scheme would need to comply with the Individual Metering Guideline located on Hunter Water's website.

Administrative & Document Requirements

Development Consent

To confirm that the application you have submitted to us is consistent with the development consent, you will need to upload a copy of either your **DA consent** from

Council or your **Complying Development Consent** from your private certifier to your Property Self Service Portal.

Subdivision Plan - Torrens

Upload a PDF copy of the final plan of subdivision to the Property Self Service Portal. The plan must be drawn by a Registered Surveyor and include lot boundaries suitable for submission to Land Registry Services. Your surveyor will also need to email a DXF copy of the file to plan.check@hunterwater.com.au

Connection Requirements

Hydraulics

Submit an application for a hydraulic design assessment of internal water and sewerage services for this development, including rainwater tanks and any alternative water supply systems. More information including the steps on submitting a hydraulic design assessment can be found on our [website](#). Alternately, if you need to confirm specific requirements for your development, you can contact our Technical Services Team via email plumbing@hunterwater.com.au.

Trade Waste

Your proposed development has the potential to discharge trade waste into our system. More information about trade waste requirements and applying for a Trade Waste Agreement can be found on our [website](#).

Once the above requirements have been completed, you can have your plumber submit a [connection application](#) to have water meters and sewer connections completed.

These requirements are valid for 12 months from the date of this letter. For further details on developing, please see the [Supplementary Information and Guidance Sheet](#) or visit our [website](#).

If you have any enquiries, please contact your designated assessment officer below.

Barry Calderwood - Account Manager Major Development
T: 02 4979 9721
E: barry.calderwood@hunterwater.com.au

Deed, Design or Construction enquiries please contact our Project Delivery Team below.

ADAM NASR – ALI BINESH – CAMERON ONIONS – MURRAY MELMETH
T: 1300 657 657
Deeds – Adam & Ali - developer.deed@hunterwater.com.au
REFs & Designs – Adam & Ali - design.submission@hunterwater.com.au
Construction – Cameron & Murray - finalise.project@hunterwater.com.au

Figure 1: Water Assets



Figure 2: Wastewater Assets

